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House of Representatives

The House met at 10 a.m.

The Chaplain, the Reverend Daniel P. Coughlin, offered the following prayer:

Lord God, Holy One of Israel, only by Your prophetic Spirit do we come to understand ourselves and our children.

Our behavior no more than our prayer reveals the whole of us. Enable us to uncover the many layers of our own being before You. And may we always rejoice in the self-revelation of others.

The work of Your Spirit upon us and within us is an awesome doing; so personal, so patient, so caring, so loving. Make us more attentive to Your movement within us through personal prayer and reflection. May we respond to Your inspiration with alacrity and gratitude.

Help us to recognize the work of Your Spirit in others, and guide us by this same Spirit to listen deeply to others, especially our children. You are our saving Lord, now and forever. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

Mr. MCNULTY. Mr. Speaker, pursuant to clause 1, rule I, I demand a vote on agreeing to the Speaker's approval of the Journal.

The SPEAKER. The question is on the Chair's approval of the Journal.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. MCNULTY. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Pursuant to clause 8, rule XX, further proceedings on this question will be postponed.

The point of no quorum is considered withdrawn.

PLEDGE OF ALLEGIANCE

The SPEAKER. Will the gentleman from Indiana (Mr. HILL) come forward and lead the House in the Pledge of Allegiance.

Mr. HILL led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. There will be five 1-minutes on each side.

TAX RELIEF IS ABOUT JOB SECURITY AND ECONOMIC GROWTH

(Mr. BARTLETT of Maryland asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BARTLETT of Maryland. Mr. Speaker, President Bush has proposed a package of tax relief that includes across-the-board tax relief for everyone. His plan even takes 6 million Americans off the tax rolls all together. It is a fair and balanced proposal that will certainly benefit hard-working Americans and offer them more flexibility on how they want to spend their money.

One thing America offers is opportunity for all. That is why our plan does not seek to redistribute wealth, like some Democrats wish to do. We realize that everyone who pays taxes ought to get relief. There must be an incentive for Americans to create jobs and businesses. Freedom and capitalism is why our country is the world's greatest Nation.

Our legislation gives back some of what taxpayers have overpaid to the government so that they can get a new washer and dryer or get their children new school clothes or even pay some of the college tuition or car bills that cost so much nowadays. The bottom line is that it is the taxpayers' money. They can spend it much better than anyone in Washington, D.C.

Mr. Speaker, Republicans are going to provide tax relief to all Americans. The President and leaders in Congress are trying to reach out to the opponents of our plan in order to foster a bipartisan agreement without compromising the needs of the taxpayer.

TIME FOR A NATIONAL SALES TAX

(Mr. TRAFICANT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TRAFICANT. Mr. Speaker, I will vote today for President Bush's tax cut. But cutting taxes, income taxes, is not enough. It is time to replace the income tax with a national retail sales tax.

Think about it. Our income Tax Code rewards dependency, subsidizes illegitimacy, penalizes work and achievement. Beam me up. It is time to let freedom truly ring in America. And I ask my colleagues, who can truly be free in America if the government controls our income and our labor? America should control their own financial destiny.

I yield back the fact that the income tax levied on all citizens is a Communist idea first proposed by Karl Marx and now practiced in the United States of America.

VOTING FOR ACROSS-THE-BOARD TAX RELIEF

(Mr. KENNEDY of Minnesota asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. KENNEDY of Minnesota. Mr. Speaker, I am pleased that the President included maximum debt reduction, strengthening Social Security and Medicare and a $1 trillion budget reserve to pay for things that may come up, like agriculture.

I am also very pleased that he is strengthening our families by lifting the burden of death tax that makes it hard to pass on the farm or family business to the next generation, addressing the marriage penalty and doubling the per-child tax credit.

But today we vote on an across-the-board tax relief for our families. As I travel around southwest Minnesota talking to families and farmers and small businesses, they tell me that we need to give the economy a boost right now to keep it moving in the right direction. This will provide real money that families can use to pay down credit card debt or to spend a little less time working for the government and a little more time with their own families.

It is because of this that this Kennedy will be voting for across-the-board tax relief today.

BUDGET FIRST, TAX CUT LATER

(Mr. TURNER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TURNER. Mr. Speaker, the House will take up and consider a major tax cut today without ever having first adopted a budget to see if the tax cut will fit within that budget. No American family, no business would engage in major spending without first adopting a budget.

The Congressional Budget Act of 1974 requires the Congress to adopt a budget resolution before votes on tax cuts. The 33 members of the Blue Dog coalition in the House will lead the fight today for a budget first, asking this House to commit to the letter and the spirit of the Budget Act.

Democrats want the largest tax cut we can afford, but we do not know how much we can afford until we first have a budget debate and determine what the budget resolution of this Congress provides for. Then we will know how big a tax cut we can afford.

HONORING JANET RAY WEININGER

(Ms. ROS-LEHTINEN asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. ROS-LEHTINEN. Mr. Speaker, I am pleased to honor the compassion of Janet Ray Weininger, founder of Wings of Valor, a charity which provides humanitarian assistance to the people of Nicaragua. Organized by Janet in 1998 as a result of the horrific natural disasters in Central America, Wings of Valor brought food, clothing, shelter and assistance to the most remote towns and villages in Nicaragua.

Janet was appalled by what she saw and what she heard from friends there, so she knew she had to do something to help bring relief. She gained the help of the Air Force Reserve unit at Homestead, Florida, and with their assistance was able to gather needed provisions and distribute them to the people of Nicaragua.

Three years later, Wings of Valor continues to minister to the needs of the Nicaraguan people; and because of her continued and selfless charity, Janet Ray Weininger deserves the recognition of the U.S. Congress and, indeed, the American people.

WRITE A BUDGET, THEN GIVE TAX CUTS

(Mr. HILL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HILL. Mr. Speaker, a politician's first instinct is to promise everything to everybody. It is a lot easier for politicians to say yes to everybody and put off the tough choices until later. That is why this House set up a budget process that forces us to make tough choices between our competing priorities. It is the same process every responsible American family and business follows. Before they start spending money, they sit down and figure out how much they have.

In a perfect world we would have all the money we needed to take care of all our priorities. But this is not a perfect world. We have to make tough choices. If we want to give people bigger tax cuts, we will have to take some money out of Social Security and Medicare. If we want to pay down more debt, we will have to restrain spending or tax cuts.

Let us do the hard work first. Let us write a budget, laying out our priorities, then let us give people tax cuts. President Bush and the Senate are debating tax cuts within a budget framework and we should be doing that in the House as well.

SUDAN PEACE ACT

(Mr. PITTS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PITTS. Mr. Speaker, even now, in the 21st century, atrocities are being committed in other countries that boggle the mind, and not always by individual terrorist groups. They are also being committed by governments.

Yesterday, I joined my colleagues, the gentleman from Colorado (Mr. TANCREDO) and the gentleman from New Jersey (Mr. PAYNE), in announcing the reintroduction of the Sudan Peace Act. What is going on in the Sudan is as bad as anything ever committed by any government anywhere: slavery, actual slavery, rape campaigns, starvation campaigns, intentional bombings of churches, schools, hospitals, markets, and villages are happening. This is how the radical Sudanese Khartoum regime intends to put down the Christians, the Animists in the south.

The world community has completely failed to stand up to the Sudanese government. Our former Secretary of State, Madelyn Albright, said the crisis in the Sudan ''wasn't marketable.'' But yesterday, Secretary Powell indicated renewed, and I think heartfelt, interest in standing up to the Sudanese.

Let us pass the Sudan Peace Act quickly and work with this administration to bring peace in that war-torn land.

BUDGET FIRST, TAX CUTS LATER

(Ms. JACKSON-LEE of Texas asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. JACKSON-LEE of Texas. Mr. Speaker, I gladly join my colleagues to ask this Congress to do what every American family does, at least those who do keep their heads above the water, and that is provide a budget and then determine how much they can spend,—weekly, monthly and yearly for their families.

The projection of over $5 trillion as a surplus is not a reality. We do not know what can happen tomorrow. And frankly, this fiscally irresponsible vote today does not answer the question of whether or not we have a budget to help students go to school with Pell Grants, to provide dollars for historically black colleges and Spanish-serving colleges or institutions of higher learning across the Nation or institutions serving native Americans.

Do we have the Medicare guaranteed-drug prescription benefit that our seniors need? Or are we giving the 1 percent of Americans, the wealthiest, the highest tax cut without again determining what we need in order to provide for investments in our nation? Do we have enough money for our veterans, who have given of themselves, and the many families of veterans, and those families left behind by our service people who have given the ultimate sacrifice? We need a budget before we need a tax cut.

AMERICANS DESERVE TAX RELIEF

(Mr. GRAVES asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GRAVES. Mr. Speaker, working Americans deserve tax relief. The American family's tax burden has now reached its highest level since World War II. In fact, the average American will have to work 129 days to pay off their total tax bill. Mr. Speaker, no one, regardless of income level, should have to pay more than one-third of their hard-earned paycheck in taxes to the Federal Government.

Americans will send $5.6 trillion more to Washington over the next 10 years than is needed to run the government. This surplus is the direct result of the diligence and hard work of the American people. The choice for this Congress is simple: keep the money for more Washington bureaucracy or return a portion of the surplus to working men and women. Mr. Speaker, I choose the people. Under the tax cut proposal, every American that pays income taxes will receive significant tax relief.

Mr. Speaker, this bill puts money back in the hands of Americans. Make no mistake, this is real tax relief for real people. Mr. Speaker, now more than ever Americans need to keep more of their hard-earned money in their pockets. The American people are overtaxed, and I look forward to voting today to return a portion of their money back to them. Taxpayers have earned it, and our slowing economy deserves it.

□ 1015

WHITHER THE TAX CUT

(Mr. SANDLIN asked and was given permission to address the House for 1 minute.)

Mr. SANDLIN. Mr. Speaker, the American public is not fooled by the charade before us today. Many in this Chamber claim that we have a $5 trillion surplus. The fact is this: We have a $5 trillion debt. Only in Washington, D.C., only here in the Nation's capital can a $5 trillion debt somehow magically transform itself into a $5 trillion surplus. That is new math at its finest. I do not know about you, but where I went to school in Texas, that just does not add up.

According to my figures, in order to have a $5 trillion surplus, we would need to have $10 trillion in the bank. But as our friend Chris Farley might have said, ''We don't have Jack Squat.'' We need tax cuts in America. I support tax cuts in America. The Blue Dogs support tax cuts in America. But let us be responsible. We need a budget before we have tax cuts. We need to do what every family farmer does and every family business. Every family in America has a budget first. Mr. Speaker, let us formulate a budget first. Then we will give America the tax break that it deserves.

THE JOURNAL

The SPEAKER pro tempore (Mr. THORNBERRY). Pursuant to clause 8, rule XX, the pending business is the question of the Speaker's approval of the Journal of the last day's proceedings.

The question is on the Speaker's approval of the Journal.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. TURNER. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 230, nays 180, answered ''present'' 1, not voting 21, as follows:

[Roll No. 34]

YEAS—230

Abercrombie
Akin
Armey
Bachus
Baker
Ballenger
Barr
Bartlett
Bass
Bereuter
Berman
Biggert
Bilirakis
Blunt
Boehlert
Boehner
Bonilla
Bono
Boyd
Brady (TX)
Brown (SC)
Bryant
Burton
Buyer
Callahan
Calvert
Camp
Cannon
Cantor
Capito
Castle
Chabot
Chambliss
Clyburn
Coble
Collins
Combest
Conyers
Cooksey
Cox
Crane
Crenshaw
Cubin
Culberson
Cunningham
Davis, Jo Ann
Davis, Tom
Deal
DeLay
DeMint
Diaz-Balart
Dingell
Doolittle
Dreier
Duncan
Dunn
Edwards
Ehlers
Ehrlich
Emerson
English
Everett
Ferguson
Flake
Fletcher
Foley
Fossella
Frelinghuysen
Gallegly
Ganske
Gekas
Gibbons
Gilchrest
Gillmor
Gilman
Goode
Goodlatte
Gordon
Goss
Graham
Granger
Graves
Green (WI)
Greenwood
Grucci
Gutknecht
Hall (TX)
Hansen
Hart
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hilleary
Hobson
Hoekstra
Horn
Hostettler
Houghton
Hunter
Hutchinson
Hyde
Isakson
Issa
Istook
Jenkins
Johnson (CT)
Johnson (IL)
Johnson, Sam
Keller
Kelly
Kennedy (MN)
Kerns
Kildee
King (NY)
Kingston
Kirk
Kleczka
Knollenberg
Kolbe
LaHood
Largent
Latham
Leach
Lewis (KY)
Linder
Lipinski
LoBiondo
Lucas (OK)
Maloney (CT)
Maloney (NY)
Manzullo
McCrery
McHugh
McInnis
McKeon
Mica
Miller (FL)
Miller, Gary
Moakley
Mollohan
Moran (KS)
Morella
Myrick
Nethercutt
Ney
Northup
Norwood
Nussle
Ortiz
Osborne
Ose
Otter
Oxley
Pastor
Paul
Payne
Pence
Peterson (PA)
Petri
Pickering
Pitts
Pombo
Portman
Pryce (OH)
Putnam
Quinn
Radanovich
Regula
Rehberg
Reynolds
Riley
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Roukema
Royce
Ryan (WI)
Ryun (KS)
Saxton
Scarborough
Schrock
Sensenbrenner
Sessions
Shadegg
Shaw
Sherwood
Shimkus
Simmons
Simpson
Skeen
Smith (MI)
Smith (NJ)
Smith (TX)
Souder
Spence
Stearns
Stump
Sununu
Sweeney
Tauzin
Taylor (NC)
Terry
Thomas
Thornberry
Thune
Tiahrt
Tiberi
Toomey
Traficant
Upton
Vitter
Walden
Walsh
Wamp
Watkins
Watts (OK)
Waxman
Weldon (FL)
Weldon (PA)
Weller
Whitfield
Wicker
Wilson
Wolf
Wu
Young (FL)

NAYS—180

Aderholt
Allen
Andrews
Baca
Baird
Baldacci
Baldwin
Barcia
Barrett
Becerra
Bentsen
Berkley
Berry
Bishop
Blagojevich
Blumenauer
Borski
Boswell
Boucher
Brady (PA)
Brown (FL)
Brown (OH)
Capps
Capuano
Cardin
Carson (IN)
Carson (OK)
Clay
Clayton
Clement
Condit
Costello
Cramer
Crowley
Davis (CA)
Davis (IL)
DeFazio
DeGette
Delahunt
Deutsch
Dicks
Doggett
Dooley
Doyle
Engel
Eshoo
Etheridge
Evans
Farr
Filner
Ford
Frank
Frost
Gephardt
Gonzalez
Green (TX)
Hall (OH)
Harman
Hill
Hilliard
Hinchey
Hinojosa
Hoeffel
Holden
Holt
Honda
Hooley
Hoyer
Hulshof
Inslee
Israel
Jackson (IL)
Jackson-Lee (TX)
Jefferson
John
Johnson, E. B.
Jones (OH)
Kanjorski
Kaptur
Kennedy (RI)
Kilpatrick
Kind (WI)
Kucinich
LaFalce
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Lee
Levin
Lewis (GA)
Lofgren
Lowey
Lucas (KY)
Luther
Markey
Mascara
Matheson
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McDermott
McGovern
McIntyre
McKinney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Millender-McDonald
Miller, George
Mink
Moore
Moran (VA)
Murtha
Nadler
Napolitano
Neal
Oberstar
Obey
Olver
Pallone
Pascrell
Pelosi
Peterson (MN)
Phelps
Pomeroy
Price (NC)
Rahall
Ramstad
Rangel
Reyes
Rivers
Rodriguez
Roemer
Ross
Rothman
Roybal-Allard
Rush
Sabo
Sanchez
Sanders
Sandlin
Sawyer
Schaffer
Schakowsky
Schiff
Scott
Serrano
Sherman
Sisisky
Slaughter
Smith (WA)
Snyder
Solis
Spratt
Stark
Stenholm
Strickland
Tanner
Tauscher
Taylor (MS)
Thompson (CA)
Thompson (MS)
Thurman
Towns
Turner
Udall (CO)
Udall (NM)
Velazquez
Visclosky
Waters
Watt (NC)
Weiner
Wexler
Woolsey
Wynn

ANSWERED ''PRESENT''—1

Tancredo

NOT VOTING—21

Ackerman
Barton
Bonior
Burr
Coyne
Cummings
Davis (FL)
DeLauro
Fattah
Gutierrez
Jones (NC)
LaTourette
Lewis (CA)
Owens
Platts
Shays
Shows
Skelton
Stupak
Tierney
Young (AK)

□ 1041

Mrs. MINK of Hawaii, Ms. HARMAN, Mrs. McCARTHY of New York, Messrs. ROTHMAN, ISRAEL, HOLDEN, KIND, RAHALL, DOOLEY of California, SPRATT, BARCIA, DAVIS of Illinois and WATT of North Carolina changed their vote from ''yea'' to ''nay.''

So the Journal was approved.

The result of the vote was announced as above recorded.

MOTION TO ADJOURN

Mr. HILL. Mr. Speaker, I move that the House do now adjourn.

The SPEAKER pro tempore (Mr. THORNBERRY). The question is on the motion to adjourn offered by the gentleman from Indiana (Mr. HILL).

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

RECORDED VOTE

Mr. HILL. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 174, noes 241, not voting 17, as follows:

[Roll No. 35]

AYES—174

Allen
Andrews
Baca
Baird
Baldwin
Becerra
Bentsen
Berkley
Berman
Berry
Bishop
Blagojevich
Bonior
Borski
Boswell
Boucher
Boyd
Brady (PA)
Brown (FL)
Brown (OH)
Capps
Capuano
Cardin
Carson (IN)
Carson (OK)
Clay
Clement
Clyburn
Condit
Conyers
Coyne
Cramer
Crowley
Cummings
Davis (CA)
Davis (IL)
DeFazio
DeGette
DeLauro
Deutsch
Dicks
Dingell
Doggett
Doyle
Engel
Eshoo
Evans
Farr
Filner
Ford
Frank
Frost
Gephardt
Gonzalez
Gutierrez
Hall (OH)
Harman
Hastings (FL)
Hill
Hilliard
Hinchey
Hinojosa
Hoeffel
Holden
Holt
Honda
Hoyer
Inslee
Israel
Jackson (IL)
Jackson-Lee (TX)
Jefferson
John
Johnson, E. B.
Jones (OH)
Kanjorski
Kaptur
Kennedy (RI)
Kildee
Kilpatrick
LaFalce
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Lee
Levin
Lewis (GA)
Lowey
Lucas (KY)
Luther
Maloney (CT)
Maloney (NY)
Markey
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McDermott
McGovern
McIntyre
McKinney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Millender-McDonald
Miller, George
Mink
Moakley
Moore
Nadler
Napolitano
Neal
Oberstar
Obey
Olver
Ortiz
Owens
Pallone
Pascrell
Payne
Pelosi
Peterson (MN)
Phelps
Pomeroy
Price (NC)
Radanovich
Rangel
Rivers
Rodriguez
Ross
Rothman
Roybal-Allard
Rush
Sabo
Sanchez
Sanders
Sandlin
Sawyer
Schakowsky
Schiff
Serrano
Sherman
Sisisky
Slaughter
Smith (WA)
Snyder
Solis
Spratt
Stark
Stenholm
Strickland
Tanner
Tauscher
Taylor (MS)
Thompson (CA)
Thompson (MS)
Tierney
Towns
Turner
Udall (CO)
Udall (NM)
Velazquez
Visclosky
Waters
Watt (NC)
Weiner
Wexler
Woolsey
Wynn

NOES—241

Abercrombie
Aderholt
Akin
Armey
Bachus
Baker
Baldacci
Ballenger
Barcia
Barr
Barrett
Bartlett
Barton
Bass
Bereuter
Biggert
Bilirakis
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bono
Brady (TX)
Brown (SC)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Cannon
Cantor
Capito
Castle
Chabot
Chambliss
Clayton
Coble
Collins
Combest
Cooksey
Costello
Cox
Crane
Crenshaw
Cubin
Culberson
Cunningham
Davis, Jo Ann
Davis, Tom
Deal
DeLay
DeMint
Diaz-Balart
Dooley
Doolittle
Dreier
Duncan
Dunn
Edwards
Ehlers
Ehrlich
Emerson
English
Etheridge
Everett
Ferguson
Flake
Fletcher
Foley
Fossella
Frelinghuysen
Gallegly
Ganske
Gekas
Gibbons
Gilchrest
Gillmor
Gilman
Goode
Goodlatte
Gordon
Goss
Graham
Granger
Graves
Green (TX)
Green (WI)
Greenwood
Grucci
Gutknecht
Hall (TX)
Hansen
Hart
Hayes
Hayworth
Hefley
Herger
Hilleary
Hobson
Hoekstra
Hooley
Horn
Hostettler
Houghton
Hulshof
Hunter
Hutchinson
Hyde
Isakson
Issa
Istook
Jenkins
Johnson (CT)
Johnson (IL)
Johnson, Sam
Jones (NC)
Keller
Kelly
Kennedy (MN)
Kerns
Kind (WI)
King (NY)
Kingston
Kirk
Kleczka
Knollenberg
Kolbe
Kucinich
LaHood
Largent
Latham
Leach
Lewis (KY)
Linder
Lipinski
LoBiondo
Lofgren
Lucas (OK)
Manzullo
Matheson
McCrery
McHugh
McInnis
McKeon
Mica
Miller (FL)
Miller, Gary
Mollohan
Moran (KS)
Morella
Murtha
Myrick
Nethercutt
Ney
Norwood
Nussle
Osborne
Ose
Otter
Oxley
Pastor
Paul
Pence
Peterson (PA)
Petri
Pickering
Pitts
Platts
Pombo
Portman
Pryce (OH)
Putnam
Quinn
Rahall
Ramstad
Regula
Rehberg
Reyes
Reynolds
Riley
Roemer
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Roukema
Royce
Ryan (WI)
Ryun (KS)
Scarborough
Schaffer
Schrock
Scott
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Sherwood
Shimkus
Simmons
Simpson
Skeen
Smith (MI)
Smith (TX)
Souder
Spence
Stearns
Stump
Sununu
Sweeney
Tancredo
Taylor (NC)
Terry
Thomas
Thornberry
Thune
Thurman
Tiahrt
Tiberi
Toomey
Traficant
Upton
Vitter
Walden
Walsh
Wamp
Watkins
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
Whitfield
Wicker
Wilson
Wolf
Wu
Young (FL)

NOT VOTING—17

Ackerman
Davis (FL)
Delahunt
Fattah
Hastings (WA)
LaTourette
Lewis (CA)
Moran (VA)
Northup
Saxton
Shows
Skelton
Smith (NJ)
Stupak
Tauzin
Waxman
Young (AK)

□ 1059

Messrs. SMITH of Michigan, BONILLA, KELLER, and Ms. HART changed their vote from ''aye'' to ''no.''

So the motion to adjourn was rejected.

The result of the vote was announced as above recorded.

Stated against:

Mrs. NORTHUP. Mr. Speaker, on rollcall No. 35 I was unavoidably detained. Had I been present, I would have voted ''no''.

PROVIDING FOR CONSIDERATION OF H.R. 3, ECONOMIC GROWTH AND TAX RELIEF ACT OF 2001

Mr. REYNOLDS. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 83 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 83

Resolved, That upon the adoption of this resolution it shall be in order without intervention of any point of order to consider in the House the bill (H.R. 3) to amend the Internal Revenue Code of 1986 to reduce individual income tax rates. The bill shall be considered as read for amendment. The amendment recommended by the Committee on Ways and Means now printed in the bill shall be considered as adopted. The previous question shall be considered as ordered on the bill, as amended, and on any further amendment thereto to final passage without intervening motion except: (1) one hour of debate on the bill, as amended, equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means; (2) the further amendment printed in the report of the Committee on Rules accompanying this resolution, if offered by Representative Rangel of New York or his designee, which shall be in order without intervention of any point of order, shall be considered as read, and shall be separately debatable for one hour equally divided and controlled by the proponent and an opponent; and (3) one motion to recommit with or without instructions.

□ 1100

PARLIAMENTARY INQUIRY

Mr. STENHOLM. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER pro tempore (Mr. THORNBERRY). The gentleman from Texas (Mr. STENHOLM) will state his parliamentary inquiry.

Mr. STENHOLM. Mr. Speaker, under what rules of the House is the rule that we are about to consider being brought to the floor when Section 303 of the Congressional Budget Act says that until the concurrent resolution on the budget for a fiscal year has been agreed to, it shall not be in order in the House of Representatives, with respect to the first fiscal year covered by that resolution, or the Senate, with respect to any fiscal year covered by that resolution, to consider any bill, any bill or joint resolution, amendment or motion thereto, or conference report thereon that; one, first provides new budget authority for that fiscal year; two, first provides an increase or decrease in revenues during the fiscal year; three, provides an increase or decrease in the public debt limit to become effective during the fiscal year; and, four, in the Senate only, first provides new entitlement authority for that fiscal year?

Mr. Speaker, my parliamentary inquiry is, under what rule of the House are we bringing this rule and this resolution today before this body?

The SPEAKER pro tempore. The Chair would respond to the gentleman that the rule is brought under rule XIII of the House, which allows the Committee on Rules to bring special orders of business to the House at any time, and it is under clause 5 of rule XIII that the rule is being considered.

Mr. STENHOLM. Mr. Speaker, I have a further parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state his parliamentary inquiry.

Mr. STENHOLM. Do I understand the Speaker to say that this rule is waiving this particular Federal law, or are there some technical definitions that we will hear in which technically that we are still within this law?

The SPEAKER pro tempore. The Chair would respond that the Clerk has read the rule, which includes waiver of all points of order against consideration, and that was read to all Members.

Mr. STENHOLM. Mr. Speaker, briefly continuing on my parliamentary inquiry.

The SPEAKER pro tempore. The gentleman may continue.

Mr. STENHOLM. So that I might understand, it is the decision of the Speaker that this bill that we will soon take up shall come to the floor of the House under a rule that waives technically all points of order?

My opposition, I guess, to this if that is the Chair's ruling, this centers around the fact that I thought that we got away from technically defining words on January 20, but it seems that we are going to continue that in the House for a few more days.

The SPEAKER pro tempore. The Chair would respond to the gentleman that it is up to the will of the House as to whether the rule is adopted or not.

The gentleman from New York (Mr. REYNOLDS) is recognized for 1 hour.

Mr. REYNOLDS. Mr. Speaker, for the purpose of debate only, I yield the customary 30 minutes to my friend, the gentleman from Massachusetts (Mr. MOAKLEY); pending which I yield myself such time as I may consume. During consideration of the resolution, all time yielded is for the purpose of debate only.

(Mr. REYNOLDS asked and was given permission to revise and extend his remarks, and include extraneous material.)

Mr. REYNOLDS. Mr. Speaker, just for information, my understanding is that the Democratic substitute actually probably violates more rules that we are waiving points of order on than the Republican measure of any points that the gentleman from Texas (Mr. STENHOLM) brings before us today.

House Resolution 83 is a modified closed rule, providing for the consideration of H.R. 3, a bill to reduce individual income tax rates by amending the Internal Revenue Code of 1986.

The rule provides for 1 hour of general debate, equally divided and controlled by the chairman and ranking member of the Committee on Ways and Means. Additionally, the rule waives all points of order against consideration of the bill.

The rule provides that the amendment recommended by the Committee on Ways and Means now printed in the bill shall be considered as adopted.

The rule also provides consideration of an amendment in the nature of a substitute, printed in the Committee on Rules report accompanying the resolution, if offered by the gentleman from New York (Mr. RANGEL) or his designee, which shall be considered as read and shall be separately debatable for 1 hour equally divided and controlled between a proponent and an opponent.

Furthermore, the rule waives all points of order against the amendment in the nature of a substitute.

Finally, the rule provides for one motion to recommit with or without instructions.

Mr. Speaker, I speak in strong support of this rule and its underlying bill, H.R. 3, the Economic Growth and Tax Relief Act of 2001.

This bill provides immediate relief to taxpayers by reducing the present-law structure of five income tax rates to four by 2006.

Mr. Speaker, 238 years after patriot James Otis first railed that ''taxation without representation is tyranny,'' the American people have found that taxation with representation is not so hot either.

Working Americans are spending a greater percentage of their income towards taxes than at any time since World War II. In an era of unprecedented budget surpluses, that is just plain wrong.

The Economic Growth and Tax Relief Act is the first step towards establishing parity and fairness in America's Tax Code.

The President's plan gives a tax cut to every American who pays income taxes and gives the lowest income families the largest percentage reduction.

When fully implemented, President Bush's tax plan will eliminate the death tax, reduce the marriage penalty, and continue this majority's commitment to fiscal responsibility in paying down our Nation's debt.

Equally important, the President's tax plan will spur savings and investment and, in an analysis released just yesterday by the respected Heritage Foundation, will boost economic activity, creating 917,000 new jobs and strengthen the income of taxpayers.

As Federal Reserve Chairman Alan Greenspan has warned, America's economy is slowing, and relief such as this, that puts more money in the pockets of working families, may very well keep us out of a recession.

In my own congressional district, earning the district's family median income of just under $35,000, they would pay no Federal income taxes under the President's plan, saving them more than $1,400.

Mr. Speaker, $1,400 is enough to send a child to a semester of community college, make a mortgage payment or pay off a credit card. This is real savings, real money in the pockets of local families.

Of course, under the Democrats substitute included within this rule, that family in my district would not be able to afford a semester of community college for their child, pay off their credit card or even make a mortgage payment. That is because in testimony yesterday before the Committee on Rules, the measure's sponsor admitted that the family would pay $700 in Federal income taxes, and that is $700 more than they would pay under President Bush's plan.

We all know that it was a position of a previous administration and even some of my colleagues on the other side of the aisle that this plan will benefit only the very rich.

The median family income in my district is $34,573, not exactly enough to be featured on Lifestyles of the Rich and Famous. Under the Republican plan, they would pay nothing, saving more than $1,400. Under the Democratic plan, they would save less than half of that, having to write a check to Uncle Sam each and every year. Whose plan is it that is really helping working families?

Now, I know that there have been people that say Americans do not care about this tax cut. They are wrong. Paul Meloon, a husband, father, teacher from Batavia, New York, in my congressional district, recently wrote me about, and I quote, ''whether the country can afford tax cuts.''

''The people that pay the taxes'' Paul wrote,''can't afford our high taxes. We can't afford so much year after year on Federal programs. No one asks if the taxpayer can afford a tax hike. It's not a matter of affording a tax cut, we demand it.''

Paul, thanks to our President and this Congress, you are going to get the tax relief you need.

Mr. Speaker, I have another purely parochial reason for so enthusiastically supporting this tax relief package. Currently, my State gets back only 85 cents of every dollar it sends to the Federal Government.

For years, Senator Daniel Patrick Moynihan released a report detailing the tremendous inequity that New Yorkers were burdened with each and every year, sending their hard-earned dollars to Washington and losing billions of dollars on their investment.

As Senator Moynihan himself suggested, the more New Yorkers send to Washington, the bigger the disparity. So maybe we should not send down as much, and let New York's families keep more of their hard earned money to spend how they see fit.

Under the President's tax plan, New York State will receive the second most of any State in tax relief, $88.6 billion over 10 years. On average, taxpaying households in New York will receive more than $18,000 of relief over the next 10 years.

Mr. Speaker, there is a reason that this government is amassing record-breaking surpluses; it is because people are sending too much money to Washington. Today we have the opportunity to give them something they have earned and something they deserve. We can give them some of their money back. I ask only that my colleagues not let this historic opportunity slip by.

Mr. Speaker, I would like to commend the gentleman from California (Mr. THOMAS), our new chairman of the Committee on Ways and Mean, and the gentleman from New York (Mr. RANGEL), our ranking member, for their hard work on this measure as it comes before the House today.

Mr. Speaker, I urge my colleagues to support this rule and the underlying legislation.

Mr. Speaker, I reserve the balance of my time.

Mr. MOAKLEY. Mr. Speaker, I yield myself such time as I may consume. Mr. Speaker, I thank the gentleman from New York (Mr. REYNOLDS), my good friend, for yielding me the time.

Mr. Speaker, we all know that the Senate will only take up a tax bill after they vote on the budget, so what is the rush here in the House? This is not the right time to debate a tax bill. This is not the right time to consider a spending bill. This is not the right time to require the House to decide about any part of a budget, because we have not agreed on an overall budget plan.

I do not say that because the law or the Congressional Budget Act says so. I do not say this just because plain old common sense tells us we should make decisions the same way any rational individual or family of business firm would. I know the Committee on Rules can waive the Budget Act and the dictates of common sense.

Mr. Speaker, this is not the right time to consider a tax bill, because we need an overall budget to see what we can actually afford.

Mr. Speaker, I sense a broad bipartisan support for a host of very important commitments, including providing tax relief. We agreed on the need to continue paying down the debt. There is a broad commitment to invest in more education and more national defense. We all say we need to provide prescription drug benefits and, most importantly, Mr. Speaker, there was a consensus to undertake a serious shoring up of Social Security and Medicare.

But, Mr. Speaker, H.R. 3 is estimated to costs almost $1 trillion. Can we really afford a trillion dollar tax cut with our schools crumbling and overcrowded, our prescription drug costs skyrocketing, our Social Security and Medicare programs begging for reform?

We cannot answer that question, Mr. Speaker, unless we have an overall budget plan. I am sure a lot of people would be amazed, Mr. Speaker, to know that 43 percent of President Bush's tax cuts benefit the richest 1 percent of Americans. Let me repeat that, 43 percent of President Bush's tax cuts benefit only 1 percent of the richest Americans.

Those tax cuts are 13 times larger than all of President Bush's education reform proposals, 13 times larger than all of President Bush's education reform proposals, all the dollars that President Bush has proposed for all kinds of educational reform amounts to less than 1/13 of the tax cuts that go to the richest 1 percent of America. I mean that figure is amazing.

I cannot understand how my Republican colleagues can defend a $15,000 tax cut to a family making $500,000 per year in income, while the Republican bill, that same bill, gives absolutely no tax cut to a working family with three children earning $30,000 a year.

I cannot imagine how any Congressman can defend this proposal at home unless they represent a district very different from the one I do.

□ 1115

In my State of Massachusetts, 224,000 families with children will not get any benefits whatsoever from this Republican tax bill.

Mr. Speaker, I urge defeat of the previous question so that I may offer an amendment to the rule. My amendment would require Congress to adopt the budget resolution before the House takes up the tax bill.

Mr. Speaker, we should not debate H.R. 3 until we have a budget to show us if H.R. 3 leaves room for all the other things we agreed we need to do. We need to fix Social Security. We need to fix Medicare. We need to keep our promises to the beneficiaries of these programs today and tomorrow.

Today's New York Times says, ''The House leadership's rush for action today makes a mockery of President Bush's pledge for bipartisanship and respect for dissent.'' Cutting taxes without a budget, the Times continues, ''is tantamount to telling lawmakers not to look too closely because they might change their minds if they do.'' Social Security and Medicare are too important to be treated so recklessly.

Mr. Speaker, let the Congress see whether this tax cut leaves the resources we need to do all the other important things we must do for America, and then we can take up this bill.

Mr. Speaker, I reserve the balance of my time.

Mr. REYNOLDS. Mr. Speaker, I yield such time as she may consume to the gentlewoman from Ohio (Ms. PRYCE).

Ms. PRYCE of Ohio. Mr. Speaker, I thank the gentleman from New York for yielding me this time.

Mr. Speaker, at this time of record surpluses, should Americans pay 40 percent of their income in taxes? Should they pay more to the tax collector than for food, shelter, and clothing combined? Mr. Speaker, the truth is that, if one is paying taxes today, one is paying too much. That is why we are here.

Let us take a look at the road that has led us down this path. We have paid down $363 billion of debt since 1997. We have already taken steps to protect nearly $3 trillion for Social Security, Medicare, to provide for further debt relief. According to the conservative budget projections that we keep hearing, we continue to maintain a very significant surplus.

Mr. Speaker, if one is paying taxes today, one is paying too much. Now we have the opportunity to provide American taxpayers, all American taxpayers, with a refund for the taxes they have been overcharged. By taking this step today, we can further empower people to help themselves and to help our economy.

How can we ever underestimate the importance of this money to individuals and their families? This tax relief represents new clothes for children, school tuition or personal debt reduction or even a new heater or air conditioner for a home.

Mr. Speaker, if one is paying taxes today, one is paying too much. We have a record surplus. We cannot spend it. The American people need it. They have record debt. They can use it. Return to sender. Let us give it back and let them spend it.

Mr. MOAKLEY. Mr. Speaker, I yield 3 minutes to the gentleman from Texas (Mr. FROST), a member of the Committee on Rules.

(Mr. FROST asked and was given permission to revise and extend his remarks.)

Mr. FROST. Mr. Speaker, 20 years ago, this House and the Congress rushed headlong into the promised land of supply-side economics. This institution bought this medicine-show magic of cutting taxes along with rosy economic forecasts that within a year left us soaring deficits and a staggering public debt. It was a classic case of, if it is too good to be true, it probably is.

Mr. Speaker, we are right back there today. We have spent the last 18 years struggling to bring deficits and debt under control and have only now begun to see the fruits of our labor.

My Republican colleagues seem to have forgotten that the promises of 20 years ago were fool's gold. So today they are again rushing pell-mell toward yet another promised land that may turn out to be only a mirage.

Mr. Speaker, make no mistake, Democrats support tax relief for the American taxpayer. But Democrats do not support this bill. We do not support considering this bill or any other tax bill without having first put into place a budget that will give us a more realistic understanding of what we can and what we cannot afford.

Democrats cannot support a tax package that will once against trigger deficit spending and will set back our efforts to pay down the national debt. Democrats cannot support a tax package that is so heavily weighed toward the most well-off of this country that low- and moderate-income working families will necessarily have to be shortchanged.

Democrats cannot support a package that is built on a foundation of rhetoric and not on reality. Once one gets past the Republican rhetoric, it is clear that this package provides no tax relief for millions of Americans, including nationwide the families of 24 million children.

In Texas, the President's home State, 1.2 million families with 2.3 million children will receive no benefits at all. Over 85 percent of American households will receive a tax cut far less than the $1,600 President Bush has promised. At the same time, the Republican tax plan gives 43 percent of its benefits to the richest 1 percent of Americans and in so doing, will force this Congress to cut funds for national priorities ranging from education and defense to law enforcement and health care.

This tax bill will ensure that any surpluses that do materialize in the Treasury will be spent and is, therefore, nothing more than a promise to raid the Social Security and Medicare Trust funds; and Democrats cannot and will not support that.

It is an amazing turn of events. The Democrats are now seen as the party of fiscal responsibility, the party that wants to protect the American taxpayers' money, now and in the future. The Republican Party today is relinquishing any claim to that title. They have relinquished any claim to responsible law-making.

In fact, Mr. Speaker, the consideration of this proposition is the height of fiscal irresponsibility. The consideration of this proposition, without having first put into place a budget, is, quite frankly, a dereliction of duty.

This is a shameful subversion of the process that no Member of this body should support.

Mr. Speaker, we were all elected to serve the people of our individual Districts and the people of the United States as a whole. That is a proud and noble responsibility. But, today we are doing them a disservice. Instead of doing the right thing, we are replaying the actions of 20 years ago that were neither proud nor noble.

Mr. REYNOLDS. Mr. Speaker, I yield 3 minutes to the gentleman from Ohio (Mr. TRAFICANT) in the spirit of bipartisanship for tax cuts.

(Mr. TRAFICANT asked and was given permission to revise and extend his remarks.)

Mr. TRAFICANT. Mr. Speaker, I support the rule and the bill. I hear the same old arguments: Cutting taxes only helps the rich. This time the excuse is the budget. Once again, the politics of division, pitting rich versus poor, worker versus company. Mr. Speaker, this is un-American.

If there is no wealth, there is no investor. If there is no investor, there is no company. If there is no company, there is no job. If there is no job, there is no American family.

It is time to wake up. America is still a Nation of free enterprise and capitalism. And, Mr. Speaker, profit is not a dirty word.

I happen to come from a poor family, like many others. My dad, Mr. Speaker, never worked for a poor guy. In fact, today, I want to thank every company that found my father fit, good enough to have worked for them and to have made a living to help our family.

But I thank more than anyone else and support today our President. I believe the President is right on this targeting business. Some who would target people in are the same who would target people out. Enough of the targeting in America. There is enough bull's-eyes on people's backs to go around.

All Americans deserve a tax cut. Every American that pays taxes should get a tax break. The President of the United States today should get that support because the American people are coming to realize that it is not our money. It is the taxpayer's money, and we should in fact return some of that money. I compliment those who have crafted this bill. I also compliment Mr. RANGEL for making an attempt to mitigate some of the concerns that are realistic, but ladies and gentlemen, the politics of division must be set aside. It is wrecking America.

Mr. Speaker, let me say one last thing. The rhetoric of division is the rhetoric of socialism, not a capitalistic, free enterprise America.

Mr. MOAKLEY. Mr. Speaker, I yield 2 minutes to the gentleman from Wisconsin (Mr. OBEY), the ranking member of the Committee on Appropriations.

Mr. OBEY. Mr. Speaker, this is not an accounting debate, this is a debate about the future of this country. I believe that every American ought to get a tax cut, and the kind of tax cut that I favor is one that will not eat up so much of the surpluses that there is nothing on the table to strengthen Social Security or Medicare or strengthen schools or pay for a prescription drug benefit or fill in the gaps in health care and pay down debt. That is why I believe that there should be no tax bill on this floor until we have a full, complete budget so we can see the entire game plan.

For this Congress to proceed with taxes alone before they have the other pieces on the basis of promises about what will happen to the economy 10 years from now is as irresponsible as the action that this Congress took in 1981. In 1981, this Congress roared through President Reagan's budget and said ''If you pass that big tax cut, we will have a balanced budget in 4 years.'' This chart demonstrates, the green bar shows the promises and the red bar shows the results. Instead of getting to a surplus, we wound up with $600 billion of added debt in those 4 years, and over the next 10 years we more than quadrupled the national debt.

Mr. Speaker, that is the route we are heading down again if you pass this bill. Fooled me once, shame on you. Fall for it twice, shame on me. Fall for it four times, please, bring on the adult supervision!

Mr. Speaker, the only other point I want to make is to say that this bill demonstrates that the top priority of the majority party, with all of the problems Americans face on Social Security, education, health care and the lot, their top priority is to ease the tax burden on those who make more than $300,000 a year by huge amounts. If that is your top priority, I say pitiful.

Mr. REYNOLDS. Mr. Speaker, I yield 1 minute to the gentleman from California (Mr. CALVERT).

Mr. CALVERT. Mr. Speaker, consumer confidence, capital investment and growth are down. Layoffs, energy prices, and concerns are up. Tax relief is critical to giving a boost to the economy and putting the brakes on runaway Washington spending. Americans are more than aware that surplus money that stays in Washington is spent to perpetuate Washington bureaucracies.

H.R. 3 intends to put taxpayers' money first. We have walled off over $3 trillion for Social Security, Medicare and further debt relief. Since 1997, Republicans have paid down $363 billion of debt. Uncle Sam's fiscal house is not only in order, it is in the best shape it has been in generations. H.R. 3 works under a simple principle, that no one should be paying more than one-third of their income to the IRS. It helps lower-income Americans by making tax relief retroactive to January 1 of this year providing tax relief for working Americans.

Mr. Speaker, I hope that we can all support the rule for H.R. 3 and put money back into the pockets of American taxpayers instead of pouring in the abyss known as Uncle Sam's bank account.

Mr. MOAKLEY. Mr. Speaker, I yield 1 minute to the gentleman from New Jersey (Mr. MENENDEZ).

Mr. MENENDEZ. Mr. Speaker, I am here to represent the working people in my district, the schoolteacher dealing with an overcrowded class working to teach 30 students algebra, the waitress at my local diner serving tables, the police officer risking his life every day, these are the hard-working people that I am fighting to give a tax break to.

So when I look at a Republican plan that gives a tax-free inheritance to a billionaire's son, and an average tax cut of over $28,000 to those making $900,000 a year while giving, on average, only several hundred dollars per family to the vast middle class, that just does not seem fair to me.

I do not think that most American families would take all of their projected earnings for the next 10 years and spend every last dime up front leaving no room for ill health or a rainy day. Unlike the Republicans, most American families would never do this without first preparing a budget. But that is what the President wants us to do here, blindly follow him and leap off the budgetary cliff.

The Democratic plan gives everyone a fair tax break, leaves enough money to pay down the debt and invest in the future. The Republican plan gives away our future so that a few can share the lion's share of everyone's hard-earned surplus.

Mr. REYNOLDS. Mr. Speaker, I yield 2 minutes to the gentleman from Florida (Mr. FOLEY).

□ 1130

Mr. FOLEY. Mr. Speaker, I thank the gentleman for yielding me this time, and I thank the Committee on Rules for bringing this to the floor.

Mr. Speaker, I want to talk specifically, because we are hearing a lot of rhetoric today, about how we are matching priorities with our ability to pay. Basically, we are covering a fiscal relief package that not only provides

Social Security and Medicare, but takes care of priorities and provides what we think is a rather slim tax relief package.

Now, the people on the other side of the aisle say they represent the working class, and I appreciate their interest in that subject. I started in life in a gas station. I went on to become a dishwasher in a restaurant. I went on at the age of 21 to start a small family business in Lakeworth, Florida. And week after week I would work hard, with the help of my employees, to make the business a success. But oftentimes there was no money left for me at the end of the week. So when people demean a $180 tax cut as insignificant, maybe it is easy for people who make $145,000 a year to say $20 or $30 a month is insignificant. But I know when I was struggling in my business, if I got an extra 5 bucks a week I was delighted, because I was able to do something in my community with that $5.

Let us not diminish this debate into, as the gentleman from Ohio (Mr. TRAFICANT) said, a class warfare debate. I think it is significant that every American works hard and, when they work hard, they are rewarded for their good behavior. But I want to show one other thing and I will leave my colleagues with this next chart.

This is what we are facing now. This is Newsweek's impression of where our economy is. If we do not pass the tax cut we can look forward to more headlines like that. ''Laid off. How safe is your job?''

Maybe $20 is too much to give hardworking Americans back, or maybe it is the Lexus or muffler comparison used by the other side of the aisle, but I would suggest to my colleagues that those in the trenches working hard, and though I do not have a college degree, I know many people in my community who work hard every day would thankfully look at 20 bucks a week and say, Thank you, U.S. Congress; thanks for sending some relief. And maybe because of this economic stimulation, I will not face that headline and a pink slip at the end of the week.

Mr. MOAKLEY. Mr. Speaker, I yield 1 minute to the gentlewoman from California (Ms. ESHOO).

Ms. ESHOO. Mr. Speaker, I thank our distinguished ranking member for yielding me this time.

There are three points I want to make today about the tax plan before us: number one, when an American family considers spending in a major way, whether it be on a home or a car, they sit down first to figure out how it fits into their budget and if they can afford it. The Congress is not that sensible. Almost $2 trillion of spending today and no budget. I think this is wrong.

Number two: do the American people deserve a tax cut? Sure they do. But we have some old bills to pay and interest on those bills. If all of the tax revenue belongs to all of the American people, so does our national debt, and that should be paid off. And we have family obligations, too: A solvent Social Security System, a prescription drug benefit in Medicare, a superb education system for our children. That is why we should budget before we spend.

Number three: Let me warn Californians and New Yorkers to fasten their seatbelts, because under the Bush tax plan they will not be able to deduct their State income taxes or their property taxes anymore.

I think there is a better way. We should be fiscally responsible. We should budget first, pay off our debt, and save and invest prudently. Vote against the plan.

Mr. REYNOLDS. Mr. Speaker, I yield 1 minute to the gentleman from Ohio (Mr. TIBERI).

Mr. TIBERI. Mr. Speaker, I want to thank the gentleman from New York for yielding me this time.

Today's legislation is a great first step in providing tax relief for American and American families. All Americans who pay taxes deserve tax relief. Allowing Americans to keep more of what they earn in their own pockets and providing for paying down of the debt is a first good step for this Congress, but we need to do more. I look forward to working with this body to eliminate the marriage tax penalty and to putting an end to the death tax.

Today, however, let us help strengthen our slowing economy and support the rule. Mr. Speaker, I look forward to putting money back in people's pockets.

Mr. MOAKLEY. Mr. Speaker, I yield 1 minute to the gentlewoman from California (Mrs. TAUSCHER).

Mrs. TAUSCHER. Mr. Speaker, I thank the ranking member for yielding me this time.

Mr. Speaker, today I rise in strong opposition to this rule. Yesterday, I offered an amendment to add a trigger mechanism, or a safety valve, to the President's rate-reduction plan. Under my amendment, the safety valve would only be triggered if the Treasury Secretary determines that we are financing tax cuts with the Social Security and Medicare trust funds. My amendment was rejected.

If bringing this bill to the floor is a litmus test on uniting instead of dividing, the Republican leadership has failed. President Bush pledged to change the tone in Washington; yet his own party is using its narrow majority to stifle bipartisanship.

The American people have worked hard and deserve real tax relief. Let us not squander this opportunity to give it to them by playing partisan politics. I urge my colleagues to oppose this rule.

Mr. REYNOLDS. Mr. Speaker, I yield 1 minute to the gentlewoman from Illinois (Mrs. BIGGERT).

Mrs. BIGGERT. Mr. Speaker, I thank the gentleman for yielding me this time.

I rise in strong support of the rule on H.R. 3. Webster's dictionary defines the word ''refund'' thus: to give back or put back; to return money in restitution; repayment or balancing of accounts.

Today, we have the opportunity to take a small part of the Federal surplus and give it back to Americans who have overpaid their taxes. It is a refund.

Now, I have heard that some suggest that this refund is nothing more than a giveaway to the wealthy. They will be able to buy a new Lexus, while others will only be able to buy a new muffler. Well, that was the message that was broadcast across the country, and here is what one of my constituents wrote to me. ''Dear Judy, I want my tax relief, even if I only get the muffler.''

Well, under H.R. 3, taxpayers of all income levels will get much more than a muffler. They will get the tax relief they deserve and the refund they deserve. I urge my colleagues to support the rule on H.R. 3.

Mr. MOAKLEY. Mr. Speaker, I yield 1 minute to the gentlewoman from California (Ms. SANCHEZ).

Ms. SANCHEZ. Mr. Speaker, when I am at home in Orange County, people continuously tell me, Pay down the debt, Loretta. Strengthen Social Security; take care of Medicare. In other words, we need to figure out our budget before we make a tax cut.

The Blue Dogs have called for the largest possible tax cut available, the one that we can afford. But until we make our budget, we do not know what we can afford. No one would go out and buy a house and not do a budget.

Today, in the paper, we read that the Civil Engineers of America have written a report that says our sewers are in trouble, our water pipes are in trouble, our transportation system is in trouble, aviation is in trouble. Even businessmen who have been promised the Bush tax cut will spend more time and money sitting there waiting because that runway was not built in their city.

So let us do what is correct. Let us sit down and do a budget. Let us not vote for a tax cut until we know what our obligations are.

Mr. REYNOLDS. Mr. Speaker, I yield 1 minute to the gentleman from California (Mr. THOMAS), the distinguished chairman of the Committee on Ways and Means.

(Mr. THOMAS asked and was given permission to revise and extend his remarks.)

Mr. THOMAS. Mr. Speaker, at some point I do think we have to get realistic in terms of our arguments against this bill. The title of the bill is the Economic Recovery and Relief Act of 2001. That is this year. Despite all the arguments that are being made on the other side of the aisle about a budget not being in place, they are simply wrong. Why are they wrong? Because we have a budget for 2001.

We create a budget every year. No multiyear tax plan or spending plan has a budget that conforms to that plan beyond 1 year. We have a budget in place. It pays down debt. It takes care of Medicare. We have a lock box for Social Security. That is this year's budget. Democrats voted for it.

This bill pays, this year, a return to the taxpayers. It is the only budget available, and it fits. Their problem is they are just having a hard time supporting real tax reduction.

Mr. MOAKLEY. Mr. Speaker, may I inquire as to how much time my colleague and I have remaining.

The SPEAKER pro tempore (Mr. THORNBERRY). The gentleman from New York (Mr. REYNOLDS) has 12 minutes remaining; the gentleman from Massachusetts (Mr. MOAKLEY) has 16 minutes remaining.

Mr. MOAKLEY. Mr. Speaker, I yield 1¼ minutes to the gentleman from Massachusetts (Mr. MARKEY).

Mr. MARKEY. Mr. Speaker, President Roosevelt once said, ''The test of our progress as a society is not whether we do more for those who already have enough but whether we do enough for those who have too little.'' President Kennedy said, ''Ask not what your country can do for you, but rather what you can do for your country.''

The Republicans here today have issued a different kind of a challenge: ''Ask not what you can do for your country, ask what can be done for your country club pals. Ask not what is in this titanic tax cut for ordinary families, ask what is in it for the wealthiest 1 percent,'' with an average income of $1.1 million a year. Forty-five percent of the benefit goes to the upper 1 percentile. And, finally, ''Ask not who pays now but who will pay 10 and 15 years from now,'' because this tax cut becomes so massive when the baby boomers retire, when the number of Alzheimer's patients will increase from 4 million to 14 million; Parkinson's disease down the line, long-term care, Social Security, and Medicare. That is when the tax cut begins to balloon, just as the greatest needs do for those seniors who built our country.

It is immoral, Mr. Speaker, to pass a bill which calls for sacrifice from those who will need much a decade from now.

Mr. REYNOLDS. Mr. Speaker, I yield 2 minutes to the gentleman from Tennessee (Mr. DUNCAN).

Mr. DUNCAN. Mr. Speaker, I rise in strong support of this bill and the rule which brings it to the floor, and I thank the gentleman from New York for yielding me this time.

The average person, as many people have noted today, pays almost 40 percent of his or her income in Federal, State, and local taxes; as well as sales taxes, property, income, gas, excise, and all of the different taxes; Social Security and so forth. The GAO tells us that 80 percent of Americans pay higher Social Security taxes than anything else today. Then, of course as many people have noted, families pay out another 10 percent in regulatory costs, which are things that government forces or requires businesses to do that are passed on to the consumer in the form of higher prices.

One Member of the other body said recently that today one spouse works to support the family while the other spouse has to work to support the government. Former President Clinton said in Buffalo that we cannot give the people a tax cut because they would not spend it in the right way. Well, many of us believe that people know better how to spend their own money than bureaucrats in Washington know how to spend it for them.

The President's plan, as has been noted, takes only about 30 percent of the projected surplus, as has been projected by the nonpartisan Congressional Budget Office over the next 10 years, to give back to the people. Only about 30 percent. This is a balanced plan, with some going to those who will spend it immediately and some going to people who will invest it. So the benefits will be both short term and long term.

Over 6 million lower-income people will be removed from the tax rolls entirely under this bill. This is a moderate plan, a reasonable plan, and a responsible plan. It deserves our support, Mr. Speaker. Everyone is better off. More jobs are created. Prices are lower when more money is left in the private sector where it is spent more economically and more efficiently than does government.

PARLIAMENTARY INQUIRY

Mr. STENHOLM. Parliamentary inquiry, Mr. Speaker.

The SPEAKER pro tempore. The gentleman will state his inquiry.

Mr. STENHOLM. In light of the statement the chairman of the Committee on Ways and Means made a moment ago, and which I agree he is technically correct regarding the budget, my parliamentary inquiry is, is the concurrent resolution on the budget that the House adopted last year still valid, even if the majority in this body voted last year to exceed the spending levels in that resolution by at least $33 billion in the current fiscal year alone?

The SPEAKER pro tempore. The Chair can affirm that House Concurrent Resolution 290 of the 106th Congress is still in place by the adoption of House Resolution 5 on the opening day of the 107th Congress.

□ 1145

Mr. STENHOLM. Further extending my parliamentary inquiry, Mr. Speaker, it is my understanding that the chairman of the Committee on the Budget filed a report adjusting the revenue level set in the budget resolution last year to make room for the bill before us today.

Does the chairman of the Committee on the Budget have the authority to change the revenue and spending levels set by the budget resolution without a debate or vote in the full House of Representatives?

The SPEAKER pro tempore (Mr. THORNBERRY). The Chair would respond to the gentleman that the chairman of the Committee on the Budget makes reports from time to time reflecting current levels and making such adjustments in appropriate levels as are consistent with the budget resolution. The chairman of the Committee on the Budget has authority under the budget resolution to make certain adjustments from time to time, and he does so consistent with that authority.

Mr. STENHOLM. Further extending my parliamentary inquiry to make sure that I understand what the Speaker has said, the chairman of the Committee on the Budget may make adjustments to the budget without action of the House of Representatives regarding the budget for the fiscal year 2001 of which we are now operating under which is being used, I believe technically correct, to justify bringing this bill before the House today?

The SPEAKER pro tempore. The Chair would again respond to the gentleman that the chairman of the Committee on the Budget may make such adjustments as are authorized under the budget resolution.

Mr. STENHOLM. I thank the Speaker for his clarification.

Mr. MOAKLEY. Mr. Speaker, I yield 1 minute to the gentleman from Massachusetts (Mr. MCGOVERN).

Mr. MCGOVERN. Mr. Speaker, I oppose this multi-trillion-dollar tax plan that benefits mostly the wealthy. Without the context of a budget, it is impossible for us to foresee what vital programs will be sacrificed. We do know, however, that under the President's budget blueprint, all funding would be cut for both the FIRE Act and Project Impact, two FEMA programs that are vital to community safety. Last year, the FIRE Act was signed into law as part of the defense appropriations bill. Almost every single Member of this House supported this measure, illustrating how urgent it is.

Each year, over 100 firefighters die in the line of duty. Many of these deaths could have been avoided with improved technology and increased funding. And Project Impact, Mr. Speaker, helps communities prevent tragedies and prepare themselves if disaster strikes.

Mr. Speaker, I represent Worcester, Massachusetts, where six brave firefighters lost their lives in a terrible blaze that engulfed an abandoned building. No community should ever have to experience the pain my community did. Is it too much to ask that Donald Trump be given a slightly smaller tax cut in order to save efforts that save lives and make a difference for our communities? I urge my colleagues to support our firefighters, defeat the rule, and defeat this Republican tax bill.

Mr. REYNOLDS. Mr. Speaker, I yield 1 minute to the gentleman from Florida (Mr. KELLER).

Mr. KELLER. Mr. Speaker, I thank the gentleman for yielding me this time.

I rise today in support of the rule and in support of this important piece of tax relief legislation. I would like to tell my colleagues why. We all pay taxes and we are all entitled to tax relief. It could not be more simple.

There are two big myths put out here about this tax relief plan: First, they say it is too big. Second, they say it is only for the wealthy. Let us address each. First, it is too big. We are using 70 percent of the tax surplus to pay down the debt, shore up Social Security, shore up Medicare and provide prescription drugs, with only 30 percent going back to the folks who paid the taxes, the taxpayers. Now, we could keep that money in Washington, but Washington is going to spend it if we keep it here. Whether it is a Republican Congress, a Democrat Congress, a Congress made up of space aliens, they will spend it if we keep it here.

The second myth is that this is only for the rich. The truth of the matter is that a secretary raising three children, a single mom making $35,000 a year, will get a 100 percent tax cut. Her boss, a lawyer making $100,000 a year, will get a 16 percent tax cut. The folks on the low end of the income spectrum are the big winners. The top 10 percent of wage earners provide 66 percent of the tax revenue. Of course they are entitled to relief. They are the people who provide jobs in this country.

I owe it to my colleagues to vote yes on the rule and yes on this tax relief measure.

Mr. MOAKLEY. Mr. Speaker, I yield 1 minute to the gentlewoman from North Carolina (Mrs. CLAYTON).

(Mrs. CLAYTON asked and was given permission to revise and extend her remarks.)

Mrs. CLAYTON. Mr. Speaker, I oppose this rule and I oppose the plan. If we choose wisely, we can provide very sensible tax relief for all Americans, we can pay down the national debt, we can invest in the priorities of the American people and the people of my district, the First Congressional District of North Carolina, providing quality education, providing prescription drugs for our seniors so they do not have to choose between buying food and buying medicine, supporting hardworking farmers, fighting the scourge of child poverty and strengthening Social Security so all Americans can rest easily and confidently in their retirement of tomorrow.

Is this tax bill too large? It is too large. Is it fair? It is unfair. It is too large because it is fuzzy math. I serve on the Committee on the Budget. We are now trying to decide what really is the true contingency, whether it is $1.85 trillion, because you do not know. Indeed, the math is fuzzy. It is not fair.

All of these people are left out. As my colleague who preceded me said, three families, $24,000, you get no money. That is unfair.

Mr. REYNOLDS. Mr. Speaker, I yield 1 minute to the gentlewoman from New Jersey (Mrs. ROUKEMA).

(Mrs. ROUKEMA asked and was given permission to revise and extend her remarks.)

Mrs. ROUKEMA. Mr. Speaker, I rise in support of the rule and of the tax program. I will say that this is a good opportunity because, after all, we need good jobs at good wages and this tax bill will give us more saving and investment in our economy. But I will express a regret that I have, and, that is, the fact that the trigger that I supported and that Chairman Greenspan has outspokenly supported in testimony both before House and Senate Committees. I wish that debt trigger could have been included in this. But it would seem to me that the Senate is probably going to pass a trigger also known as a ''safety valve.'' So it may be in consideration in the conference. But in any case, we can certainly go back and deal with the trigger as we do the budget resolution later this year.

In any case, we have to be fiscally responsible, and I am speaking now as a fiscal conservative, and not increase the debt but balance the budget, pay down the debt and get the saving and investment back in this economy.

I take these positions for the following reasons:

Mr. Speaker, I say this for the following reasons:

REDUCING TAX RATES

The Economic Growth and Tax Relief Act of 2001 will provide approximately $958 billion over 10 years in income tax relief. This plan will put money into the pockets of American families by reducing income tax rates across the board.

Mr. Speaker, hardworking American families are paying more in taxes than they should or need to pay. In fact, federal income tax revenues rose dramatically in the 1990s. Today, federal taxes from all sources are the highest they have ever been during peacetime, topping 20 percent of the Gross Domestic Product (GDP). No one, no matter what their income, should send more than one-third of their income to the IRS in taxes. That is why we need tax relief.

This bill provides immediate tax relief by reducing the current 15 percent tax rate on the first $12,000 of taxable income for couples ($6,000 for singles). This bill represents the heart of President Bush tax package to bring fairness, simplicity and tax relief to American families.

This tax bill not only provides tax relief for millions of American families but also generates economic growth by helping small businesses.

You see S corporations pay taxes at the individual rate level. By cutting the individual rates helps these small businesses. These small businesses create millions of new jobs every year. I have advocated S corporation tax relief and have introduced legislation to help these ''job machines.'' This tax cut carries through on this action and will stimulate the economy by providing relief for S corporations.

AGE OF SURPLUS

This new ''age of surplus'' offer us both a great opportunity and challenge.

The opportunity is for once and all to put our fiscal house in order. We have the opportunity to make the necessary structural and funding changes to save Social Security and Medicare for this and future generations, pay down the debt, provide for national priorities like education and healthcare, and provide for tax relief like we are today.

But like all true fiscal conservatives, I worry that we are making decisions today that will affect our national bottom line in ten years. And we are making these decisions based on ten-year economic assumptions. We cannot deny that the huge projected surplus is just that—''projected.'' While these assumptions may ultimately be correct, I believe there is no one in this House who would venture a bet on it. The money may or may not materialize in the amount we predict.

If the revenue materializes, that's great. Then what I am about to say is a moot point.

But if the revenue does not materialize, it's back to the bad old days—the bad old days of deficits and red ink as far as the eye can see.

Clearly, the American people want a tax refund. In our current economic and fiscal condition, they deserve it. But they do not want us to return to the bad old days of mounting national debt.

How do we prevent that? I submit that we need a double-barreled debt prevention mechanism—a debt trigger.

DEBT TRIGGER

I am very disappointed that we are not including a debt trigger as the Senate has under consideration.

In 1999, this House passed as part of that year's tax bill a debt trigger. A debt trigger is a fiscally conservative idea that was supported by 216 Republicans in the 1999 tax bill. The debt trigger on a tax bill would make future tax reductions contingent on debt reduction. Therefore if future surpluses failed to materialize, then no tax cuts would occur. But let me be perfectly clear—a trigger would not cancel tax cuts already in effect or cause a tax increase.

It would merely ensure that tax cuts are paid for in full so that we do not add to the national debt that hangs over our children's heads. We must understand that our children will inherit the debt. It is a burden created by us for them to carry. I firmly believe that the wish of every parent is to leave the world a better place for his or her children. And the greatest challenge of Congress is to make sure that the next generation will be better than this generation. That is the overwhelming moral imperative of this Congress. We must not shrink from this responsibility.

Chairman Greenspan supports the idea of a debt trigger and reaffirmed it in testimony to the House Financial Services Committee in February. In fact he supports a trigger on both the tax and spending side.

Again, I would expect that serious consideration will be given to this trigger in conference with the Senate. The trigger is the fiscally responsible, conservative procedure to follow. It will complement the growth of our economy on a sound financial basis.

Mr. Speaker, let me go on record as supporting a debt trigger for both the tax and spending side. That is why I believe we should adopt this ''dual trigger'' on the Budget Resolution that we will consider later this year. A debt trigger is a fiscally conservative idea whose time has come and I strongly urge my colleagues to join me in this effort.

CONCLUSION

Mr. Speaker, I strongly support tax relief provided in this bill and I strongly support providing tax relief in a fiscally conservative manner. That is why I am going to support this bill and work for a debt trigger on the budget resolution.

Mr. MOAKLEY. Mr. Speaker, I yield 3½ minutes to the gentleman from South Carolina (Mr. SPRATT), the ranking member of the Committee on the Budget.

(Mr. SPRATT asked and was given permission to revise and extend his remarks.)

Mr. SPRATT. Mr. Speaker, I rise in support of the budget process and in opposition to this rule because it overrides, overrules and dispenses with the budget process.

We are here talking about a tax bill for a particular reason. We are here because we have moved the budget from a deficit of $290 billion, a record deficit, in 1992, to surpluses no one thought possible just a few years ago, surpluses that extend as far out as the eye can see. We did that because we adhered to a budget process. We adopted a provision that we would have 5-year forecasts and 5-year budget resolutions, and then we extended that to running out tax cuts, their application, to 10 years. We adopted ceilings, caps for discretionary spending. We imposed a rule called the pay-go rule, a rule that says you cannot increase entitlements or cut taxes unless you offset the amount so as to make it neutral on the bottom line. That is why we are here today. That discipline has helped us reap this reward of doing a major tax bill.

Let me say something. Democrats want to cut taxes. We are proposing tax cuts of $800 to $900 billion. Republicans want to cut by more, but the problem they have got is not by how much they want to cut so much as the fact as they are putting the cart ahead of the horse. What they want to do is do this without first having a budget resolution. Regarding all of those rules and budget process disciplines that I just mentioned, if you look in the Congressional Budget Act of 1974 where they are codified, you will see emblazoned at the very top of these provisions the language, ‘‘No budget-related legislation shall be considered before a concurrent budget resolution has been adopted.’’

That is the very thing we are doing today. That principle, which is emblazoned in big bold letters in the Congressional Budget Act, is being violated by this rule and this rule overrides and waives major provisions, major disciplines in the budget process. First of all, section 303. Section 303 says you shall not do a tax cut for future fiscal years until you have done a concurrent budget resolution. They are able to skirt past that particular provision because of the curious language of it. It says you cannot do one if it first decreases taxes in the fiscal year covered by the concurrent budget resolution. Since they first decreased the taxes this fiscal year, they are able to skirt by it but they violate the principle of it. They skirt by it only to run smack into section 202.

You see, this bill contains tax provisions that indirectly trigger credits to certain working families. Because of that, the bill increases refundable tax levels and as a result it violates the provisions of section 311, section 401, and section 302, three distinct provisions of the code.

It violates section 302 because you are exceeding the committee allocations that were set in the budget resolution last adopted, it violates section 311 because you are exceeding total spending, and it violates section 401 because you are creating new entitlement authority. And it violates the spirit of section 303. We are trashing the budget process. The disciplines that have brought us to this day where we can have a big tax cut, we are abandoning.

Mr. Greenspan was cited just a minute ago. Last week, he was asked about the budget projections and the fact that we were moving immediately with a tax cut. He said, all of these projections, regardless of how optimistic they are, will be worthless if you do not have the discipline and the process in place to keep it in balance.

Mr. REYNOLDS. Mr. Speaker, I yield myself such time as I may consume.

For the record we no longer seem to be debating whether it is going to be a tax cut or not a tax cut because we are going to get a tax cut in America. But we are talking about process. For the record, in listening to the distinguished Member talk about the past, I would remind him that 48 Democrats voted for the marriage penalty relief before the budget resolution last year, which was in February of 2000, including the ranking Democrat on the Committee on the Budget, the gentleman from South Carolina (Mr. SPRATT).

Mr. Speaker, I yield 1 minute to the gentleman from California (Mr. CUNNINGHAM).

(Mr. CUNNINGHAM asked and was given permission to revise and extend his remarks.)

Mr. CUNNINGHAM. Mr. Speaker, as to the question on the budget, we have now got a President that will not only not embarrass the country but he will not hold the Congress hostage to spend money above the budget or shut down the government. President Bush will increase the budget by 4 percent above inflation and give tax relief.

But even more of a joke, my friends on the other side in 1993, when they had the House, the White House and the Senate, we talk about middle class tax relief, they gave the middle class the biggest tax increase in history. They used the same rhetoric that they have here today. They talk about Social Security. They increased the tax on Social Security. They talk about, oh, saving the trust fund. They spent every dime in their budget on spending the Social Security Trust Fund. President Clinton and Al Gore every single budget spent every dime out of the Social Security Trust Fund. They even had a retroactive tax increase in which the First Lady redid her taxes. Remember that? We have retroactive tax relief.

Mr. MOAKLEY. Mr. Speaker, I yield 2 minutes to the gentleman from Mississippi (Mr. TAYLOR).

Mr. TAYLOR of Mississippi. Mr. Speaker, I would like the gentleman from California (Mr. THOMAS), all my Democratic colleagues, all my Republican colleagues, I would like someone to come to the floor now and tell me that our Nation is not $5,735,859,380,573.98 in debt, because we are. I keep hearing about the debt being paid down, but the truth of the matter is, according to our own Treasury statements, the debt has increased since September 30 by $61,681,170,687. How can anyone come to this floor with a straight face and tell me we have a surplus?

□ 1200

It gets worse than that. Those taxes that were raised in the 1980s with a Republican Senate, a Democratic House and a Republican President, that placed on working Americans a 15 percent increase on their Social Security and Medicare taxes with the promise that that money would be set aside. The gentleman from California (Mr. CUNNINGHAM) is right on that, because we now owe Social Security $1,070,000,000,000. We owe Medicare $229 billion. There is no surplus.

Since the gentleman from California (Mr. CUNNINGHAM) mentioned it, and I know he is a military retiree, we owe the military retiree trust fund $163 billion.

We owe the civil service trust fund, and I hope every single Federal employee is listening, $501 billion. There is not one penny in any of these accounts, and yet speaker after speaker talks about a surplus.

Come tell me I am wrong because this is straight out of the Treasury Report.

I am voting against this rule because I offered an amendment yesterday that says before we have any tax relief we pay back to these people, the folks who pay Social Security taxes, the folks who pay Medicare taxes, the folks who had their military pay reduced so that some of it would be set aside for a trust fund, the folks who work for our Nation who had their pay reduced so that some of it would be set aside for a trust fund, that we will fulfill our obligations to them before we make new obligations.

Mr. Speaker, I am issuing a challenge to the Speaker of the House, the President of the United States, the Senate Majority Leader, come question any of these numbers, because they know they are all the truth.

Mr. REYNOLDS. Mr. Speaker, I yield 1½ minutes to the gentleman from Missouri (Mr. BLUNT).

Mr. BLUNT. Mr. Speaker, I thank the gentleman from New York (Mr. REYNOLDS) for yielding me this time.

Mr. Speaker, I rise today to encourage my colleagues to support this rule and, more importantly, to support what this rule stands for. This rule stands for moving ahead with tax relief for Americans who have overpaid their tax bill.

We are going to pay down debt. We are going to pay down debt faster than any American family would reasonably assume this debt could have ever been paid off. We have a tax overcharge. This is a tax overcharge.

When one sees the price of what government is going to be needing for the next 10 years, and one sees that we are sending in much more money than that, what needs to happen is that families need to get that money back. This is a debate about what the tax rate structure should look like. Should there be a 15 percent bracket that affects every American family that is affected by it now or should we reduce that bracket to 10 percent? Should one pay more than a third out of every dollar that they earn at the highest bracket?

This is a question about how high that highest bracket should be, and we need to move forward with certainty. The economy has flattened out. Small businesses that now pay that 39 percent rate need to know that their rate is going to go to 33 percent. They can then reinvest money back into their businesses, into the economy. Families who know they are going to get a $1,400 annual amount of their own money back to spend can make a decision about investing in their family's future, buying that new car, buying the washer and dryer, putting money aside for community college.

I urge a yes vote on this rule and on this tax package.

Mr. MOAKLEY. Mr. Speaker, I yield 1 minute to the gentleman from Oklahoma (Mr. CARSON).

Mr. CARSON of Oklahoma. Mr. Speaker, I thank the distinguished gentleman from Massachusetts (Mr. MOAKLEY) for yielding time.

Mr. Speaker, the entire budget debate has been caught up in so much mysterious facts and so much slight of hand that perhaps so many people in this country have been confused about that.

The tax cut will do nothing to stimulate the economy. That is not the words of the Democratic Party or people in opposition to the tax cut. That is the words of Chairman Greenspan himself who said that fiscal fine-tuning of the economy is, in fact, oftentimes counterproductive, not in fact helpful to an economy that may indeed be in decline.

The interesting question is not again what the marginal tax rate should be or what the tax structure should be, but instead how much we can afford to spend in this country over the next 10 years.

There has not yet been a significant tax overcharge. There is a prospective tax overcharge over the next 10 years, and if that money does come in, under the many assumptions behind these budget numbers, then we can talk about meaningful tax cuts. When the Joint Chiefs of Staff alone want nearly $1 trillion over the next decade, $1 trillion for modernization of our military, we are going to have a $2 trillion tax cut that is not consistent with President Bush's own priorities, which demonstrates the myopic thinking behind this entire move.

Mr. REYNOLDS. Mr. Speaker, I yield 1 minute to the gentleman from Wisconsin (Mr. RYAN), the newest member of the Committee on Ways and Means.

(Mr. RYAN of Wisconsin asked and was given permission to revise and extend his remarks.)

Mr. RYAN of Wisconsin. Mr. Speaker, there is just one big bottom line to this debate today: People are overpaying their taxes.

We are going to hear a lot of debate today saying it is too risky, the process is backwards, all of these things. What is behind these remarks is basically this: They want to deprive people from getting their tax payments back. They want to keep the size of the bite of Washington out of workers' paychecks as big as it is today.

Look at the whole perspective of this. This tax bill, in its entirety, is 6 cents on the dollar. The tax relief plan is 6 percent of all the Federal revenues over the next 10 years. So the idea that this is too big and irresponsible is irresponsible.

Make no mistake, Mr. Speaker. If this tax bill is defeated and this money comes to Washington and is laid up on the table, it will be spent by this body and we will not get tax relief.

This bill is responsible because we are first paying off our public debt. We are protecting the Medicare and Social Security trust funds; and, most importantly, we are giving every hard-working American some money back in their paychecks.

I urge passage of the rule and passage of the bill.

Mr. MOAKLEY. Mr. Speaker, I yield 30 seconds to the gentleman from Wisconsin (Mr. KIND).

(Mr. KIND asked and was given permission to revise and extend his remarks.)

Mr. KIND. Mr. Speaker, I thank my friend, the gentleman from Massachusetts (Mr. MOAKLEY), for yielding me the time.

Mr. Speaker, this debate is not about whether there is bipartisanship support for tax relief. There is. It is just a matter of whether it is going to be responsible and fair.

President Bush, during his first address to Congress here a couple of weeks ago, quoted Yogi Berra by saying if we come to a fork in the road we should take it.

Well, Yogi Berra was also famous for having said "this is deja vu all over again," and it is. When we compare the Reagan economic plan of 1981 with what is being attempted today, it is deja vu all over again. The Reagan plan led to 15 consecutive years of deficit financing. We could get away with that then, with a $1 trillion debt at that time. I am afraid that we will not be able to get away with it again with the baby-boomers about to retire at a $5.7 trillion debt today. I hope we are not merely repeating history by basing large tax cuts on speculative budget surpluses that may never materialize 10 years from now.

BUDGET PROCESS

Notwithstanding the fact that the law requires a budget to be passed before Congress considers tax cuts, the House leadership has decided to rush to the floor a fiscally irresponsible tax plan that gambles with our children's future.

This plan is irresponsible because once all of President Bush's campaign tax-cut promises are added up, the total of cost of his plan will easily exceed $2 trillion.

1981 REAGAN TAX CUT

If this huge tax break plan is adopted, virtually all of the remaining projected surplus funds will be spent. In 1981, a similar tax plan and budget led us down the road of deficit budgeting. It took two decades and several acts of Congress to dig the country out of the deficit hole that was created.

This tax cut is even more risky than those of 1981. Today, we have a national debt that is 5 times higher than in 1981. Further, within the next decade we will see the retirement of the baby boomers, in the same years that the tax cuts will be fully phased in.

REPUBLICAN TAX CUT PROPOSAL

The Bush tax plan also overwhelming benefits the wealthiest Americans. The wealthiest 1 percent of Americans will get 43 percent of the benefits and their average tax cut will total $46,000 a year.

Over 85 percent of American households will receive a tax cut far less than the $1,600 that the President promised. And for the hardest-working Americans who do not pay any income taxes, the President delivers nothing, even though they still pay a disproportionate amount of their income for FICA taxes.

BUDGET SURPLUS PROJECTIONS

This plan is incredibly risky. Ten-year surplus projections are unreliable. If the budget projections are off by less than one-half of 1 percent, a $1 trillion shortfall will occur, with these massive cuts in place, Congress will be tempted to tap into the Social Security and Medicare trust funds to balance the budget.

CHAIRMAN ALAN GREENSPAN

In January, Federal Reserve Chairman Greenspan testified before the Senate Budget Committee and confirmed that the budget projections are "subject to a wide range of error."

He also noted that when considering the emerging budget surplus, "debt reduction is the best use for the added revenue." Nonetheless, the administration and leadership are still pushing large tax cuts above debt reduction.

BUDGET PRIORITIES

In the end, the Bush plan will squander all of the funds necessary for critical investments in our nation's future. It is much more prudent to pay down our national debt, invest in education, and defense, shore up Social Security and Medicare, and provide a prescription drug benefit for seniors. With a tax cut of this magnitude, however, the surplus will be wasted, if it is not more fiscally responsible.

DEMOCRATIC ALTERNATIVE

That is why I support the alternative offered by Representative RANGEL, which will be nearly half the cost of the Republican plan.

It would provide immediate and fair tax relief for middle-income families and is also fiscally responsible.

A new 12 percent tax bracket would be created, thereby giving an across-the-board rate cut for all Americans. In addition, it will give those working families who only have payroll and Federal excise taxes a refund through expansion of the earned income tax credit.

Under the alternative, families with children who earn less than $65,000 will receive equal or larger tax breaks than under the Bush proposal.

CONCLUSION

Mr. Speaker, show me a budget that will meet our domestic needs, and then we can begin serious consideration on a tax cut bill.

But don't force a vote on a tax cut bill that is being proposed outside of a budget and is destined to harm our children. I did not come to Congress to saddle my two boys with a debt burden they did not create.

Mr. Speaker, we have worked hard over the past four years to balance the budget and pay down the national debt. I urge my colleagues to oppose this bill, and support the Democratic alternative.

Mr. REYNOLDS. Mr. Speaker, I yield 1 minute to the gentleman from New York (Mr. FOSSELLA).

MOTION TO ADJOURN

Mr. SANDLIN. Mr. Speaker, I move that the House do now adjourn.

The SPEAKER pro tempore (Mr. THORNBERRY). The question is on the motion to adjourn offered by the gentleman from Texas (Mr. SANDLIN).

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

Mr. SANDLIN. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 171, nays 251, not voting 10, as follows:

[Roll No. 36]

YEAS—171

Allen
Andrews
Baca
Baird
Baldwin
Becerra
Berkley
Berman
Berry
Bishop
Blagojevich
Bonior
Borski
Boswell
Boucher
Boyd
Brady (PA)
Brown (FL)
Brown (OH)
Capps
Capuano
Cardin
Carson (IN)
Carson (OK)
Clay
Clayton
Clement
Clyburn
Condit
Conyers
Coyne
Cramer
Crowley
Cummings
Davis (CA)
Davis (IL)
DeFazio
DeGette
Delahunt
Deutsch
Dingell
Doggett
Doyle
Engel
Eshoo
Evans
Farr
Fattah
Filner
Ford
Frank
Frost
Gephardt
Gonzalez
Gutierrez
Hall (OH)
Harman
Hill
Hilliard
Hinchey
Hinojosa
Holden
Holt
Hoyer
Inslee
Israel
Jackson (IL)
Jackson-Lee (TX)
Jefferson
John
Johnson, E. B.
Jones (OH)
Kanjorski
Kaptur
Kennedy (RI)
Kildee
Kilpatrick
Kind (WI)
LaFalce
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Lee
Levin
Lewis (GA)
Lowey
Lucas (KY)
Luther
Maloney (CT)
Maloney (NY)
Markey
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McDermott
McGovern
McIntyre
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Millender-McDonald
Miller, George
Mink
Moakley
Moran (VA)
Nadler
Napolitano
Neal
Oberstar
Olver
Ortiz
Owens
Pallone
Pascrell
Payne
Pelosi
Peterson (MN)
Phelps
Pomeroy
Price (NC)
Rangel
Reyes
Rivers
Rodriguez
Ross
Rothman
Roybal-Allard
Rush
Sabo
Sanchez
Sanders
Sandlin
Sawyer
Schakowsky
Schiff
Serrano
Sherman
Sisisky
Slaughter
Smith (WA)
Snyder
Solis
Spratt
Stark
Stenholm
Strickland
Tanner
Tauscher
Taylor (MS)
Thompson (CA)
Thompson (MS)
Tierney
Towns
Turner
Udall (CO)
Udall (NM)
Velazquez
Visclosky
Waters
Watt (NC)
Waxman
Weiner
Wexler
Woolsey
Wynn

NAYS—251

Abercrombie
Aderholt
Akin
Armey
Bachus
Baker
Baldacci
Ballenger
Barcia
Barr
Barrett
Bartlett
Barton
Bass
Bentsen
Bereuter
Biggert
Bilirakis
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bono
Brady (TX)
Brown (SC)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Cannon
Cantor
Capito
Castle
Chabot
Chambliss
Coble
Collins
Combest
Cooksey
Costello
Cox
Crane
Crenshaw
Cubin
Culberson
Cunningham
Davis (FL)
Davis, Jo Ann
Davis, Tom
Deal
DeLauro
DeLay
DeMint
Diaz-Balart
Dicks
Dooley
Doolittle
Dreier
Duncan
Dunn
Edwards
Ehlers
Ehrlich
Emerson
English
Etheridge
Everett
Ferguson
Flake
Fletcher
Foley
Fossella
Frelinghuysen
Gallegly
Ganske
Gekas
Gibbons
Gilchrest
Gillmor
Gilman
Goode
Goodlatte
Gordon
Goss
Graham
Granger
Graves
Green (TX)
Green (WI)
Greenwood
Grucci
Gutknecht
Hall (TX)
Hansen
Hart
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hilleary
Hobson
Hoeffel
Hoekstra
Honda
Hooley
Horn
Hostettler
Houghton
Hulshof
Hunter
Hyde
Isakson
Issa
Istook
Jenkins
Johnson (CT)
Johnson (IL)
Johnson, Sam
Jones (NC)
Keller
Kelly
Kennedy (MN)
Kerns
King (NY)
Kingston
Kirk
Kleczka
Knollenberg
Kolbe
Kucinich
LaHood
Largent
Latham
LaTourette
Leach
Lewis (KY)
Linder
Lipinski
LoBiondo
Lofgren
Lucas (OK)
Manzullo
Matheson
McHugh
McInnis
McKeon
McKinney
Mica
Miller (FL)
Miller, Gary
Mollohan
Moore
Moran (KS)
Morella
Murtha
Myrick
Nethercutt
Ney
Northup
Norwood
Nussle
Obey
Osborne
Ose
Otter
Oxley
Pastor
Paul
Pence
Petri
Pickering
Pitts
Platts
Pombo
Portman
Pryce (OH)
Putnam
Quinn
Radanovich
Rahall
Ramstad
Regula
Rehberg
Reynolds
Riley
Roemer
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Roukema
Royce
Ryan (WI)
Ryun (KS)
Saxton
Scarborough
Schaffer
Schrock
Scott
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Sherwood
Shimkus
Simmons
Simpson
Skeen
Smith (MI)
Smith (NJ)
Smith (TX)
Souder
Spence
Stearns
Stump
Sununu
Sweeney
Tancredo
Tauzin
Taylor (NC)
Terry
Thomas
Thornberry
Thune
Thurman
Tiberi
Toomey
Traficant
Upton
Walden
Walsh
Wamp
Watkins
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
Whitfield
Wicker
Wilson
Wolf
Wu
Young (AK)
Young (FL)

NOT VOTING—10

Ackerman
Hutchinson
Lewis (CA)
McCrery
Peterson (PA)
Shows
Skelton
Stupak
Tiahrt
Vitter

□ 1231

Messrs. FOLEY, GORDON, KING, OXLEY, RADANOVICH, KLECZKA, YOUNG of Alaska, SCARBOROUGH and SAXTON, and Ms. HART changed their vote from ''yea'' to ''nay.''

Messrs. ROTHMAN, HOLDEN, BRADY of Pennsylvania, BACA and DOGGETT, and Ms. EDDIE BERNICE JOHNSON of Texas changed their vote from ''nay'' to ''yea.''

So the motion to adjourn was rejected.

The result of the vote was announced as above recorded.

Mr. TIAHRT. Mr. Speaker, on Rollcall No. 36 I was inadvertently detained. Had I been present, I would have voted ''nay''.

□ 1230

PROVIDING FOR CONSIDERATION OF H.R. 3, ECONOMIC GROWTH AND TAX RELIEF ACT OF 2001

Mr. REYNOLDS. Mr. Speaker, I yield 1 minute to the gentleman from New York (Mr. FOSSELLA).

Mr. FOSSELLA. Mr. Speaker, I thank the gentleman from New York (Mr. REYNOLDS) for yielding me the time, and evidently what I was about to say was so profound that the other side of the aisle wanted to adjourn and go home, and I can understand that, not that they wanted me to embarrass myself.

Today, Mr. Speaker, we ask ourselves a very fundamental question, do we believe in the power and the spirit of the American people? Do we believe in their ability to create new jobs? Do we believe that they should have the freedom to spend as much money as they see fit on their lives, on their families, on their small businesses or do we maintain and continue the position that whatever money comes to Washington, regardless of how much it is, should be spent by folks here in Washington?

The proposition is clear, the issue is clear. Now is the time, and it is long overdue, to send that money back to the American people for the refund they deserve so they can spend it on their kids' education, putting more people to work, on a vacation, a new car, whatever it is.

Mr. Speaker, if we stand for freedom, if we stand for empowering people, this is the way to do it.

Mr. MOAKLEY. Mr. Speaker, I yield 1 minute to the gentlewoman from California (Ms. HARMAN).

Ms. HARMAN. Mr. Speaker, I thank the gentleman from Massachusetts (Mr. MOAKLEY) for yielding me the time.

Mr. Speaker, here are some unemployment statistics from cities in my district: Redondo Beach, 2.7 percent; Manhattan Beach, 1.9 percent; Los Angeles, 5.4 percent, and Torrance, 3.1 percent. Pretty good, huh?

How did we get here? Part of it is the ingenuity of the private sector. The other part is the successful Federal efforts to balance the budget in a balanced way. I am a veteran of the budget wars. I voted for the 1993 Budget Act, Penny-Kasich, to cut $90 billion in spending, the Balanced Budget Constitutional Amendment, the 1997 Budget Act.

Though my family and I would benefit from the bill before us, now is not the time. I join the Blue Dogs in insisting on a budget first. I want unemployment to stay low. That will only happen if we do not pass a tax cut until we know we can afford it.

Mr. REYNOLDS. Mr. Speaker, I reserve the balance of my time.

Mr. MOAKLEY. Mr. Speaker, I yield 1 minute to the gentleman from Arkansas (Mr. ROSS).

Mr. ROSS. Mr. Speaker, I support the largest tax cut possible, but I want to see a budget first. The law requires it, and as a small business owner, I demand it. We need to pay down the debt. It is out of control, nearly $6 trillion.

The American people deserve to know that our government is spending over $1 billion a day simply paying interest on the debt, some $360 billion every single year.

Mr. Speaker, I want to see in a budget how we pay down that debt. I want to see in a budget how we save Social Security, how we modernize Medicare to include medicine for our seniors. I want us to recognize and admit to the American people that while we had a surplus yesterday or last year, it is only $8 billion, when you take all the trust fund monies, the Social Security, the Medicare, military retiree, Federal employee retiree trust funds out of the equation.

Mr. Speaker, $8 billion only pays 6 days of interest on the national debt. I want a tax cut. I want a budget first. I want to save Social Security. I want to pay down the debt.

Mr. REYNOLDS. Mr. Speaker, I reserve the balance of my time.

Mr. MOAKLEY. Mr. Speaker, I yield 1 minute to the gentleman from Texas (Mr. TURNER).

Mr. TURNER. Mr. Speaker, the House is being asked today to do something that no family or no business in this country would do, and that is embark on major financial decisions without first having a budget. The Congressional Budget Act was passed for the purpose of requiring this Congress to act on a budget first. Irrespective of the technicalities, clearly the spirit of the Budget Act is being violated here today.

The 33 members of the Blue Dog Democrat Coalition are working hard today to send the message to all of our friends in this House that it is important to have a budget first. Democrats want the largest tax cut we can afford, but how in the world do you know how large a tax cut you can afford until you first go through a budget process?

It matters not what budget I am for. It matters not what budget the President is for. It matters not what budget you are for. The process is that we all work together. We debate it out, and we vote and we have a budget. And when you do, you then know how big a tax cut you can afford.

Mr. REYNOLDS. Mr. Speaker, I reserve the balance of my time.

Mr. MOAKLEY. Mr. Speaker, I yield 2 minutes to the gentleman from Kansas (Mr. MOORE).

Mr. MOORE. Mr. Speaker, I want a tax cut. And I voted with the majority party twice last year for tax cuts, marriage penalty relief and estate tax relief. This is not and should not be a partisan issue.

People on both sides of the aisle want tax cuts. The real question is how do we do this responsibly and how do we deliver to the American people what we should give them. I hear over and over from my friends on the other side of the aisle there is a surplus; what there is, in fact, is a projected surplus. Big difference, big difference, a projected surplus of $5.6 trillion over the next 10 years.

Mr. Speaker, just last Monday, the weather projection was 12 inches of snow in Washington, D.C. It did not materialize. Twelve inches of snow did not materialize, and I hope that the projections for the economy for the next 10 years are better than the weather predictions, but we cannot count on that. If we are going to be responsible, I think what we should do is wait to see if some of these projected surpluses actually materialize before we start spending this money.

Mr. Speaker, right now we have placed a $5.7 trillion mortgage on the future of our children and grandchildren. I think we have some responsibility to our children, as well as to taxpayers in this country, to balance this out. Yes, if these projections come true, we can and should have significant tax cuts. We can and should significantly pay down our national debt.

I agree with the President's priorities, and I think you are going to find broad support with the President's priorities in the areas of education, defense and prescription drug benefits, but we must be responsible. If we are not, we are going to put our country back in a hole that we have just climbed out of from 30 years of deficit spending.

Let us do the right thing. Let us do the bipartisan thing and do a budget first.

Mr. REYNOLDS. Mr. Speaker, I yield 1 minute to the gentleman from Illinois (Mr. MANZULLO).

Mr. MANZULLO. Mr. Speaker, as chairman of the Committee on Small Business, I urge all of my colleagues to vote yes on H.R. 3.

The vast majority of small businesses are sole proprietors, S corporations and partnerships, yet they pay individual taxes anywhere from 15 percent to as high as 39.6 percent. The National Federation of Independent Businesses surveyed some of its members. Two full volumes of responses came back, one of those from Fabiola Francisco in our Nation's capital, who is a small business owner earning $36,000 a year with two young sons. She mirrors thousands of small business entrepreneurs throughout the Nation.

Most of the recipients or most of the people who responded to the NFIB survey said if their taxes are reduced, they would spend the money they save to obtain health benefits for their employees.

This tax cut makes sense, because for the small business people, it allows them to keep more money from the Federal Government and to give that money to their hard-working employees.

Mr. MOAKLEY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I urge defeat of the previous question. If the previous question is defeated, I will offer an amendment to the rule to require that Congress first adopt the budget resolution for fiscal year 2002 before the House takes up this tax bill.

We need a budget first to see if we can afford this level of tax relief and still pay down the debt, reform education, modernize our school buildings and reduce class size.

Mr. Speaker, can we afford this trillion dollar tax bill and still give our senior citizens the opportunity not to have to choose between paying for food or paying for their prescription drugs? Can we still shore up Social Security and Medicare and pay down the debt?

Mr. Speaker, I urge a no vote on the previous question.

Mr. Speaker, I ask unanimous consent to put the text of my amendment in the RECORD immediately before the vote on the previous question.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. MOAKLEY. Mr. Speaker, I yield back the balance of my time.

Mr. REYNOLDS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, as I conclude my remarks, we then will have a vote, and if you support tax relief, you vote for the rule. If you do not want tax relief, you vote against it.

Mr. Speaker, I yield the remaining time to the gentleman from California

(Mr. DREIER), the chairman of the Committee on Rules.

(Mr. DREIER asked and was given permission to revise and extend his remarks.)

Mr. DREIER. Mr. Speaker, what a terrific week this is for the American people. Just yesterday, we were able in a bipartisan way to reduce the onerous regulatory burden imposed on them, jeopardizing economic growth, and today we are going to have the opportunity to allow them to keep more of their own hard earned money.

In just 47 days, President Bush has done a phenomenal job of changing the makeup here in Washington. I am very pleased that again in a bipartisan way, Democrats and Republicans alike, are talking about the importance of reducing the tax burden on working Americans.

Mr. Speaker, I happen to believe that the plan that we have put forward is by far and away the best one, because it is geared towards economic growth. It is geared towards fairness, and it is geared towards removing barriers to the middle class.

I have been fascinated over the past hour to listen to the attempt by many to rewrite the history of the 1980s, when Ronald Reagan was President. If you go back and look at what happened when the Economic Recovery Tax Act of 1981 was passed, we were able to double the flow of revenues to the Federal Treasury by reducing a tax burden. Many people said look at the deficits at the end of the 1980s.

The fact of the matter is if you take defense out of the mix, if we had simply had a freeze on domestic spending, a freeze on domestic spending at the rate of inflation during the 1980s, by 1989, when Ronald Reagan retired from the White House, we would have had a $250 billion surplus at that point.

We have to realize that article 1, section 7 makes it very clear, taxing and spending emanates right here in the House of Representatives. So we need to do everything that we possibly can to make sure that we put into place this plan to allow the American people to keep more of their hard earned money, to encourage economic growth, and to bring about as much fairness as we possibly can.

This rule is very fair. We make in order the Democratic substitute. I hope very much that we will be able to have bipartisan support for it, and I know we will when it comes to bringing about this reduction in the tax burden.

Mr. GOSS. Mr. Speaker, I rise in strong support of this fair rule. It is unfortunate that so many of my Democrat colleagues can't seem to put down last week's talking points. This rule gives them two—not one as they had inappropriately feared—bites at the apple. We will have a full and fair debate on their vision of tax relief and one on ours. But now that we have fully accommodated their request for two bites, they play the ''bait and switch'' on how long we will debate this bill. It is transparently partisan and obstructionist and I doubt that the American people will be fooled.

The folks I represent don't want us to sit here and talk and talk and talk about tax relief. They want us to act. President Bush made tax relief for all Americans one of the hallmarks of his campaign. He stuck with it when the beltway elites said it was wrong. Or couldn't be done. And now as President he has kept his word and forwarded a responsible proposal that provides tax cuts, pays down the national debt and ensures the availability of Medicare and Social Security.

Today Congress will take the first step to utilize part of the non Social Security surplus for the benefit of our taxpayers. H.R. 3 represents the core of President Bush's plan. The implementation of H.R. 3 would provide a savings of $958 million over ten years—including a $360 return for couples as early as 2001. In fact, taxpayers in my home state of Florida will get to keep $48 million dollars more of their own money.

H.R. 3 provides the right balance in reducing marginal tax rates. While all five brackets are collapsed into 4 lower ones, H.R. 3 moves folks in the lowest 15 percent bracket to 10 percent retroactively, giving them a benefit immediately. In fact, for my Democrat friends who suggest this will not help lower income Americans, I would point out that 48 million Americans will pay no Federal income taxes at all in 2001 as a result of our action.

It is a basic debate we are having today and it does not take a long time to figure out where you stand. Do you stand on the side of working Americans who have seen their incomes rise only to be further eradicated by a tax system that discourages achievement? Or do you choose the ''politics of the past'' * * * class warfare disguised as fiscal responsibility?

I commend Chairman THOMAS for his leadership in moving this important legislation in such a timely manner. I urge a ''yes'' vote on the rule and a strong yes on final passage.

Ms. JACKSON-LEE of Texas. Mr. Speaker, I rise in opposition of the rule for H.R. 3 which provides for only one amendment to this major piece of legislation. The Republican Leadership has simply pushed this legislation to the floor with irresponsible tax proposals that will exceed $2 trillion. I must oppose this rule which prevents many of my concerned colleagues from even offering amendments to a tax plan that overwhelmingly benefits the wealthiest Americans.

Mr. Speaker, these tax cuts would go to one percent of taxpayers with the highest incomes—a group whose incomes have soared in recent years and have risen much more rapidly than the incomes of the rest of the population—and would exceed the new resources proposed for all other national priorities combined.

The bill reduces Federal revenues by $958.2 billion over 10 years, and represents the first installment of President Bush's proposed $1.62 trillion tax cut plan, accounting for 60 percent of the total cost of the President's proposal. If enacted, Mr. Speaker, it would effect the first reduction in Federal income tax rates since 1981.

The net effect of these changes, however, would have a number of adverse consequences for Americans. For example, a third to one-half of children in many States live in families that would not receive any tax reduction from the President's tax proposal, according to a new analysis from the Center on Budget and Policy Priorities. In 12 States plus the District of Columbia, at least 40 percent of children live in such families. The analysis uses Census Bureau data to estimate, on a State-by-State basis, the number of families' incomes are too low for them to owe Federal Bush plan because these families' incomes are too low for them to owe Federal income taxes. The large majority of these families, however, work and pay payroll taxes and other taxes unaffected by President Bush's proposal. H.R. 3 reduces only income taxes and taxes on large estates.

This legislation simply is inadequate because substantial numbers of children in every state would not benefit from the President's plan. Some states would have especially high numbers of unaffected children. These states include my state of Texas (2.3 million children unaffected), California (3.7 million), New York (1.9 million), and Florida (1.2 million). In each of another eight states with at least half a million children would gain nothing from H.R. 3, the proposed tax plan.

Nationwide, an estimated 12.2 million low- and moderate-income families with children—31.5 percent of all families with children—would not receive any tax reduction from the Bush proposal. This funding is consistent with independent analysis conducted by the researchers from the Brookings Institution, the Urban Institute, and the Institute on Taxation and Economic Policy. The vast majority of the excluded families include workers.

The tax plan under consideration would squander all of the funds necessary for critical investments in the future. We cannot afford to forgo a surplus that needs to be used for education, prescription drugs, and ensuring the solvency of Social Security and Medicare.

For these reasons, I look forward to supporting the Democratic Substitute that provides immediate and fair tax relief for middle income families and is also fiscally responsible. A new 12 percent tax bracket would be created, thereby giving an across-the-board rate cut for all Americans—but one which will overwhelmingly benefit middle income taxpayers.

The tax plan numbers contained in H.R. 3 just do not add up, and the surplus estimates that have been used are completely unreliable. Accordingly, I want to urge my colleagues to oppose H.R. 3 and support the Democratic Substitute that will be offered.

Mrs. CLAYTON. Mr. Speaker, I oppose this rule which violates U.S. House Budget principles by allowing consideration of a tax proposal prior to the adoption of a budget resolution.

The President's tax cuts are too big, are based on fuzzy math and unreliable long-term economic projections, unfairly favor the very wealthy, provide absolutely no benefit for many low-wage earners, provide limited economic benefits for the next five years, fail to adequately protect Social Security and Medicare, and are being considered before the House adopts a budget in violation of budget laws and common sense economic planning principles.

If we choose wisely, we can provide sensible tax relief for all Americans, we can pay down the national debt, and we can invest in the priorities of the American people and the people of the First District of North Carolina—providing quality educational opportunities for all of our children, providing prescription drugs for our senior citizens so that they do not have to make the tough choice of buying medicine or buying food, supporting our hard working farmers, fighting the scourge of child poverty, and strengthening our social security systems so Americans can rest easy today confident in a secure retirement tomorrow.

But I am concerned that we will squander this opportunity before having a serious debate about priorities.

President Bush talks about taking down the toll booth to the middle class, but is this what his tax plan would really do? A closer look at who would benefit from the President's proposal reveals that, rather than taking down the toll booth to the middle class, the President's tax plan simply puts the wealth on the express lane to the bank. Under President Bush's proposed plan:

The top one percent would receive between 36–43 percent of the tax cut. This is more than the bottom 80 percent combined would receive. They would receive 29 percent of the tax cut.

The top one percent of the population would receive an average cut of $39,000 dollars—that's twice as much as the median household income in some of the countes in my district.

According to the Treasury Department, the top 1 percent of the population pays 20 percent of all Federal taxes under current law.

Although the President claims that low and moderate income working families receive the largest percentage tax reduction, such claims are based only on income taxes. In fact, these families pay more in Federal payroll taxes than they do in income taxes. Therefore a large percentage of a very low tax liability, one based only on income tax, is not really much assistance at all.

This means that there will be little benefit to the counties of the First Congressional district. In Warren County North Carolina, the average family makes just under $17,000 a year. But under President Bush's proposal, a family of four wouldn't benefit unless their income was $25,000 or higher.

The chilling grip of poverty touches too many of our children. I'm saddened that when people talk about a tax plan which, rather than leaving no child behind, leaves behind 24 million children, including over 6 million black children. When we talk seriously about sensible tax relief for all Americans, should we be considering tax cuts that would not even affect half of black children?

There is money for sensible and just tax relief. But tax relief, like everything that we do, should follow the principle of "fairness for all."

Mr. MOAKLEY. Mr. Speaker, I include for the RECORD the previous question amendment to House Resolution 83, as follows:

PREVIOUS QUESTION AMENDMENT TO HOUSE RESOLUTION 83 TO BE OFFERED BY REPRESENTATIVE MOAKLEY

On page 1, line 1, strike "That upon the adoption of this resolution" and insert "That upon the adoption by Congress of a concurrent resolution on the budget for the fiscal year 2002".

Mr. REYNOLDS. Mr. Speaker, I yield back the balance of my time, and I move the previous question on the resolution.

The SPEAKER pro tempore. The question is on ordering the previous question.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

RECORDED VOTE

Mr. MATHESON. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The SPEAKER pro tempore. Pursuant to clause 9 of rule XX, the Chair will reduce to 5 minutes the minimum time for electronic voting on the question of adopting the resolution and on any incidental question.

The vote was taken by electronic device, and there were—ayes 220, noes 204, not voting 8, as follows:

[Roll No. 37]

AYES—220

Aderholt
Akin
Armey
Bachus
Baker
Ballenger
Barr
Bartlett
Barton
Bass
Bereuter
Biggert
Bilirakis
Blunt
Boehlert
Boehner
Bonilla
Bono
Brady (TX)
Brown (SC)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Cannon
Cantor
Capito
Castle
Chabot
Chambliss
Coble
Collins
Combest
Cooksey
Cox
Crane
Crenshaw
Cubin
Culberson
Cunningham
Davis, Jo Ann
Davis, Tom
Deal
DeLay
DeMint
Diaz-Balart
Doolittle
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
English
Everett
Ferguson
Flake
Fletcher
Foley
Fossella
Frelinghuysen
Gallegly
Ganske
Gekas
Gibbons
Gilchrest
Gillmor
Gilman
Goode
Goodlatte
Goss
Graham
Granger
Graves
Green (WI)
Greenwood
Grucci
Gutknecht
Hall (TX)
Hansen
Hart
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hilleary
Hobson
Hoekstra
Horn
Hostettler
Houghton
Hulshof
Hunter
Hutchinson
Hyde
Isakson
Istook
Jenkins
John
Johnson (CT)
Johnson (IL)
Johnson, Sam
Jones (NC)
Keller
Kelly
Kennedy (MN)
Kerns
Kilpatrick
King (NY)
Kingston
Kirk
Knollenberg
Kolbe
LaHood
Largent
Latham
LaTourette
Leach
Lewis (KY)
Linder
LoBiondo
Lucas (OK)
Manzullo
McCrery
McHugh
McInnis
McKeon
Mica
Miller (FL)
Miller, Gary
Moran (KS)
Morella
Myrick
Nethercutt
Ney
Northup
Norwood
Nussle
Osborne
Ose
Otter
Oxley
Paul
Pence
Petri
Pitts
Platts
Pombo
Portman
Pryce (OH)
Putnam
Quinn
Radanovich
Ramstad
Regula
Rehberg
Reynolds
Riley
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Roukema
Royce
Ryan (WI)
Ryun (KS)
Saxton
Scarborough
Schaffer
Schrock
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Sherwood
Shimkus
Simmons
Simpson
Skeen
Smith (MI)
Smith (NJ)
Smith (TX)
Souder
Spence
Stearns
Stump
Sununu
Sweeney
Tancredo
Tauzin
Taylor (NC)
Terry
Thomas
Thornberry
Thune
Tiahrt
Tiberi
Toomey
Traficant
Upton
Vitter
Walden
Walsh
Wamp
Watkins
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
Whitfield
Wicker
Wilson
Wolf
Young (AK)
Young (FL)

NOES—204

Abercrombie
Allen
Andrews
Baca
Baird
Baldacci
Baldwin
Barcia
Barrett
Becerra
Bentsen
Berkley
Berman
Berry
Bishop
Blagojevich
Blumenauer
Bonior
Borski
Boswell
Boucher
Boyd
Brady (PA)
Brown (FL)
Brown (OH)
Capps
Capuano
Cardin
Carson (IN)
Carson (OK)
Clay
Clayton
Clement
Clyburn
Condit
Conyers
Costello
Coyne
Cramer
Crowley
Cummings
Davis (CA)
Davis (FL)
Davis (IL)
DeFazio
DeGette
Delahunt
DeLauro
Deutsch
Dicks
Dingell
Doggett
Dooley
Doyle
Edwards
Engel
Eshoo
Etheridge
Evans
Farr
Fattah
Filner
Ford
Frank
Frost
Gephardt
Gonzalez
Gordon
Green (TX)
Gutierrez
Hall (OH)
Harman
Hastings (FL)
Hill
Hilliard
Hinchey
Hinojosa
Hoeffel
Holden
Holt
Honda
Hooley
Hoyer
Inslee
Israel
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Johnson, E. B.
Jones (OH)
Kanjorski
Kaptur
Kennedy (RI)
Kildee
Kind (WI)
Kleczka
Kucinich
LaFalce
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Lee
Levin
Lewis (GA)
Lipinski
Lofgren
Lowey
Lucas (KY)
Luther
Maloney (CT)
Maloney (NY)
Markey
Mascara
Matheson
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McDermott
McGovern
McIntyre
McKinney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Millender-McDonald
Miller, George
Mink
Moakley
Mollohan
Moore
Moran (VA)
Murtha
Nadler
Napolitano
Neal
Oberstar
Obey
Olver
Ortiz
Owens
Pallone
Pascrell
Pastor
Payne
Pelosi
Peterson (MN)
Phelps
Pomeroy
Price (NC)
Rahall
Rangel
Reyes
Rivers
Rodriguez
Roemer
Ross
Rothman
Roybal-Allard
Rush
Sabo
Sanchez
Sanders
Sandlin
Sawyer
Schakowsky
Schiff
Scott
Serrano
Sherman
Sisisky
Slaughter
Smith (WA)
Snyder
Solis
Spratt
Stark
Stenholm
Strickland
Tanner
Tauscher
Taylor (MS)
Thompson (CA)
Thompson (MS)
Thurman
Tierney
Towns
Turner
Udall (CO)
Udall (NM)
Velazquez
Visclosky
Waters
Watt (NC)
Waxman
Weiner
Wexler
Woolsey
Wu
Wynn

NOT VOTING—8

Ackerman
Issa
Lewis (CA)
Peterson (PA)
Pickering
Shows
Skelton
Stupak

□ 1313

Mr. BERMAN changed his vote from "aye" to "no."

So the previous question was ordered.

The result of the vote was announced as above recorded.

MOTION TO RECONSIDER OFFERED BY MR. JOHN

Mr. JOHN. Mr. Speaker, I move to reconsider the vote by which the previous question was ordered.

The SPEAKER pro tempore (Mr. LATOURETTE). Did the gentleman vote on the prevailing side?

Mr. JOHN. Yes, Mr. Speaker.

MOTION TO TABLE OFFERED BY MR. REYNOLDS

Mr. REYNOLDS. Mr. Speaker, I move to lay the motion to reconsider on the table.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New York (Mr. REYNOLDS) to lay on the table the motion to reconsider the vote offered by the gentleman from Louisiana (Mr. JOHN).

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

RECORDED VOTE

Mr. JOHN. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The SPEAKER pro tempore. This will be a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 217, noes 205, not voting 10, as follows:

[Roll No. 38]

AYES—217

Aderholt
Akin
Armey
Bachus
Baker
Ballenger
Barr
Bartlett
Barton
Bass
Bereuter
Biggert
Bilirakis
Blunt
Boehlert
Boehner
Bonilla
Bono
Brady (TX)
Brown (SC)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Cannon
Cantor
Capito
Castle
Chabot
Chambliss
Coble
Collins
Combest
Cooksey
Cox
Crane
Crenshaw
Culberson
Cunningham
Davis, Jo Ann
Davis, Tom
Deal
DeLay
DeMint
Diaz-Balart
Doolittle
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
English
Everett
Ferguson
Flake
Fletcher
Foley
Fossella
Frelinghuysen
Gallegly
Ganske
Gekas
Gibbons
Gilchrest
Gillmor
Gilman
Goode
Goodlatte
Goss
Graham
Granger
Graves
Green (WI)
Greenwood
Grucci
Gutknecht
Hansen
Hart
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hilleary
Hobson
Hoekstra
Horn
Hostettler
Houghton
Hulshof
Hunter
Hutchinson
Hyde
Isakson
Istook
Jenkins
Johnson (CT)
Johnson (IL)
Johnson, Sam
Jones (NC)
Keller
Kelly
Kennedy (MN)
Kerns
King (NY)
Kingston
Kirk
Knollenberg
Kolbe
LaHood
Largent
Latham
LaTourette
Leach
Lewis (KY)
Linder
Lipinski
LoBiondo
Lucas (OK)
Manzullo
McCrery
McHugh
McInnis
McKeon
Mica
Miller (FL)
Miller, Gary
Moran (KS)
Myrick
Nethercutt
Ney
Northup
Norwood
Osborne
Ose
Otter
Oxley
Paul
Pence
Peterson (PA)
Petri
Pickering
Pitts
Platts
Pombo
Portman
Pryce (OH)
Putnam
Quinn
Radanovich
Ramstad
Regula
Rehberg
Reynolds
Riley
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Roukema
Royce
Ryan (WI)
Ryun (KS)
Saxton
Scarborough
Schaffer
Schrock
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Sherwood
Shimkus
Simmons
Simpson
Skeen
Smith (MI)
Smith (NJ)
Smith (TX)
Souder
Spence
Stearns
Stump
Sununu
Sweeney
Tancredo
Tauzin
Taylor (NC)
Terry
Thomas
Thornberry
Thune
Tiahrt
Tiberi
Toomey
Traficant
Upton
Vitter
Walden
Walsh
Wamp
Watkins
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
Whitfield
Wicker
Wilson
Wolf
Young (AK)
Young (FL)

NOES—205

Abercrombie
Allen
Andrews
Baca
Baird
Baldacci
Baldwin
Barcia
Barrett
Becerra
Bentsen
Berkley
Berman
Berry
Bishop
Blagojevich
Blumenauer
Bonior
Borski
Boswell
Boucher
Boyd
Brady (PA)
Brown (FL)
Brown (OH)
Capps
Capuano
Cardin
Carson (IN)
Carson (OK)
Clay
Clayton
Clement
Clyburn
Condit
Conyers
Costello
Coyne
Cramer
Crowley
Cummings
Davis (CA)
Davis (FL)
Davis (IL)
DeFazio
DeGette
Delahunt
DeLauro
Deutsch
Dicks
Dingell
Doggett
Dooley
Doyle
Edwards
Engel
Eshoo
Etheridge
Evans
Farr
Fattah
Filner
Ford
Frank
Frost
Gephardt
Gonzalez
Gordon
Green (TX)
Gutierrez
Hall (OH)
Hall (TX)
Harman
Hastings (FL)
Hill
Hilliard
Hinchey
Hinojosa
Hoeffel
Holden
Holt
Honda
Hooley
Hoyer
Inslee
Israel
Jackson (IL)
Jackson-Lee (TX)
Jefferson
John
Johnson, E. B.
Jones (OH)
Kanjorski
Kaptur
Kennedy (RI)
Kildee
Kilpatrick
Kind (WI)
Kleczka
Kucinich
LaFalce
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Lee
Levin
Lewis (GA)
Lofgren
Lowey
Lucas (KY)
Luther
Maloney (CT)
Maloney (NY)
Markey
Mascara
Matheson
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McGovern
McIntyre
McKinney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Millender-McDonald
Miller, George
Mink
Moakley
Mollohan
Moore
Moran (VA)
Murtha
Nadler
Napolitano
Neal
Oberstar
Obey
Olver
Ortiz
Owens
Pallone
Pascrell
Pastor
Payne
Pelosi
Peterson (MN)
Phelps
Pomeroy
Price (NC)
Rahall
Rangel
Reyes
Rivers
Rodriguez
Roemer
Ross
Rothman
Roybal-Allard
Rush
Sabo
Sanchez
Sanders
Sandlin
Sawyer
Schakowsky
Schiff
Scott
Serrano
Sherman
Sisisky
Slaughter
Smith (WA)
Snyder
Solis
Spratt
Stark
Stenholm
Strickland
Tanner
Tauscher
Taylor (MS)
Thompson (CA)
Thompson (MS)
Thurman
Tierney
Towns
Turner
Udall (CO)
Udall (NM)
Velazquez
Visclosky
Waters
Watt (NC)
Waxman
Weiner
Wexler
Woolsey
Wu
Wynn

NOT VOTING—10

Ackerman
Cubin
Issa
Lewis (CA)
McDermott
Morella
Nussle
Shows
Skelton
Stupak

□ 1324

Mr. DELAHUNT changed his vote from ''aye'' to ''no.''

Mr. KING changed his vote from ''no'' to ''aye.''

So the motion to table was agreed to.

The result of the vote was announced as above recorded.

PERSONAL EXPLANATION

Mr. ISSA. Mr. Speaker, on Rollcall Nos. 37–38 I was unavoidably detained. Had I been present, I would have voted ''yea''.

The SPEAKER pro tempore (Mr. LATOURETTE). The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

RECORDED VOTE

Mr. MOAKLEY. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The SPEAKER pro tempore. This will be a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 220, noes 204, not voting 8, as follows:

[Roll No. 39]

AYES—220

Aderholt
Akin
Armey
Bachus
Baker
Ballenger
Barr
Bartlett
Barton
Bass
Bereuter
Biggert
Bilirakis
Blunt
Boehlert
Boehner
Bonilla
Bono
Brady (TX)
Brown (SC)
Bryant
Burr
Burton
Buyer
Calvert
Camp
Cannon
Cantor
Capito
Castle
Chabot
Chambliss
Coble
Collins
Combest
Cooksey
Cox
Crane
Crenshaw
Culberson
Cunningham
Davis, Jo Ann
Davis, Tom
Deal
DeLay
DeMint
Diaz-Balart
Doolittle
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
English
Everett
Ferguson
Flake
Fletcher
Foley
Fossella
Frelinghuysen
Gallegly
Ganske
Gekas
Gibbons
Gilchrest
Gillmor
Gilman
Goode
Goodlatte
Goss
Graham
Granger
Graves
Green (WI)
Greenwood
Grucci
Gutknecht
Hall (TX)
Hansen
Hart
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hilleary
Hobson
Hoekstra
Horn
Hostettler
Houghton
Hulshof
Hunter
Hutchinson
Hyde
Isakson
Issa
Istook
Jenkins
Johnson (CT)
Johnson (IL)
Johnson, Sam
Jones (NC)
Keller
Kelly
Kennedy (MN)
Kerns
King (NY)
Kingston
Kirk
Knollenberg
Kolbe
LaHood
Largent
Latham
LaTourette
Leach
Lewis (KY)
Linder
LoBiondo
Lucas (OK)
Manzullo
McCrery
McHugh
McInnis
McKeon
Mica
Miller (FL)
Miller, Gary
Moran (KS)
Morella
Myrick
Nethercutt
Ney
Northup
Norwood
Nussle
Osborne
Ose
Otter
Oxley
Paul
Pence
Peterson (PA)
Petri
Pickering
Pitts
Platts
Pombo
Portman
Pryce (OH)
Putnam
Quinn
Radanovich
Ramstad
Rangel
Regula
Rehberg
Reynolds
Riley
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Roukema
Royce
Ryan (WI)
Ryun (KS)
Saxton
Scarborough
Schaffer
Schrock
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Sherwood
Shimkus
Simmons
Simpson
Skeen
Smith (MI)
Smith (NJ)
Smith (TX)
Souder
Spence
Stearns
Stump
Sununu
Sweeney
Tancredo
Tauzin
Taylor (NC)
Terry
Thomas
Thornberry
Thune
Tiahrt
Tiberi
Toomey
Traficant
Upton
Vitter
Walden
Walsh
Wamp
Watkins
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
Whitfield
Wicker
Wilson
Wolf
Young (AK)
Young (FL)

NOES—204

Abercrombie
Allen
Andrews
Baca
Baird
Baldacci
Baldwin
Barcia
Barrett
Becerra
Bentsen
Berkley

Berman
Berry
Bishop
Blagojevich
Blumenauer
Bonior
Borski
Boswell
Boucher
Boyd
Brady (PA)
Brown (FL)
Brown (OH)
Capps
Capuano
Cardin
Carson (IN)
Carson (OK)
Clay
Clayton
Clement
Clyburn
Condit
Conyers
Costello
Coyne
Cramer
Crowley
Cummings
Davis (CA)
Davis (FL)
Davis (IL)
DeFazio
DeGette
Delahunt
DeLauro
Deutsch
Dicks
Dingell
Doggett
Dooley
Doyle
Edwards
Engel
Eshoo
Etheridge
Evans
Farr
Fattah
Filner
Ford
Frank
Frost
Gephardt
Gonzalez
Gordon
Green (TX)
Gutierrez
Hall (OH)
Harman
Hastings (FL)
Hill
Hilliard
Hinchey
Hinojosa
Hoeffel
Holden
Holt
Honda
Hooley
Hoyer
Inslee
Israel
Jackson (IL)
Jackson-Lee (TX)
Jefferson
John
Johnson, E. B.
Jones (OH)
Kanjorski
Kaptur
Kennedy (RI)
Kildee
Kilpatrick
Kind (WI)
Kleczka
Kucinich
LaFalce
Lampson
Langevin
Lantos
Larsen (WA)
Lee
Levin
Lewis (GA)
Lipinski
Lofgren
Lowey
Lucas (KY)
Luther
Maloney (CT)
Maloney (NY)
Markey
Mascara
Matheson
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McDermott
McGovern
McIntyre
McKinney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Millender-McDonald
Miller, George
Mink
Moakley
Mollohan
Moore
Moran (VA)
Murtha
Nadler
Napolitano
Neal
Oberstar
Obey
Olver
Ortiz
Owens
Pallone
Pascrell
Pastor
Payne
Pelosi
Peterson (MN)
Phelps
Pomeroy
Price (NC)
Rahall
Reyes
Rivers
Rodriguez
Roemer
Ross
Rothman
Roybal-Allard
Rush
Sabo
Sanchez
Sanders
Sandlin
Sawyer
Schakowsky
Schiff
Scott
Serrano
Sherman
Sisisky
Slaughter
Smith (WA)
Snyder
Solis
Spratt
Stark
Stenholm
Strickland
Tanner
Tauscher
Taylor (MS)
Thompson (CA)
Thompson (MS)
Thurman
Tierney
Towns
Turner
Udall (CO)
Udall (NM)
Velazquez
Visclosky
Waters
Watt (NC)
Waxman
Weiner
Wexler
Woolsey
Wu
Wynn

NOT VOTING—8

Ackerman
Callahan
Cubin
Larson (CT)
Lewis (CA)
Shows
Skelton
Stupak

□ 1333

So the resolution was agreed to.

The result of the vote was announced as above recorded.

Stated against:

Mr. LARSON of Connecticut. Mr. Speaker, on rollcall No. 39, I was unavoidably detained. Had I been present, I would have voted ''no.''

The SPEAKER pro tempore (Mr. LATOURETTE). Without objection, a motion to reconsider is laid on the table.

Mr. FORD. Mr. Speaker, I object.

The SPEAKER pro tempore. Objection is heard.

MOTION TO RECONSIDER OFFERED BY MS. PRYCE OF OHIO

Ms. PRYCE of Ohio. Mr. Speaker, I move to reconsider the vote just taken.

MOTION TO TABLE OFFERED BY MR. REYNOLDS

Mr. REYNOLDS. Mr. Speaker, I move to table the motion to reconsider the vote.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New York (Mr. REYNOLDS) to lay on the table the motion to reconsider offered by the gentlewoman from Ohio (Ms. PRYCE).

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

RECORDED VOTE

Mr. FORD. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The SPEAKER pro tempore. This will be a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 221, noes 197, not voting 14.

[Roll No. 40]

AYES—221

Aderholt
Akin
Armey
Bachus
Baker
Ballenger
Barr
Bartlett
Barton
Bass
Bereuter
Biggert
Bilirakis
Blunt
Boehlert
Boehner
Bonilla
Bono
Brady (TX)
Brown (SC)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Cannon
Cantor
Capito
Castle
Chabot
Chambliss
Coble
Collins
Combest
Cooksey
Cox
Crane
Crenshaw
Culberson
Cunningham
Davis, Jo Ann
Davis, Tom
Deal
DeLay
DeMint
Diaz-Balart
Dicks
Doolittle
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
English
Everett
Ferguson
Flake
Fletcher
Foley
Fossella
Frelinghuysen
Gallegly
Ganske
Gekas
Gibbons
Gilchrest
Gillmor
Gilman
Goode
Goodlatte
Goss
Graham
Granger
Graves
Green (WI)
Grucci
Gutknecht
Hall (TX)
Hansen
Hart
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hilleary
Hobson
Hoekstra
Horn
Hostettler
Houghton
Hulshof
Hunter
Hutchinson
Hyde
Isakson
Issa
Istook
Jenkins
Johnson (CT)
Johnson (IL)
Johnson, Sam
Jones (NC)
Keller
Kelly
Kennedy (MN)
Kerns
King (NY)
Kingston
Kirk
Knollenberg
Kolbe
LaHood
Latham
LaTourette
Leach
Lewis (KY)
Linder
Lipinski
LoBiondo
Lucas (OK)
Manzullo
McCrery
McHugh
McInnis
McKeon
Mica
Miller (FL)
Miller, Gary
Moran (KS)
Morella
Myrick
Nethercutt
Ney
Northup
Norwood
Nussle
Osborne
Ose
Otter
Oxley
Paul
Pence
Peterson (MN)
Peterson (PA)
Petri
Pickering
Pitts
Platts
Pombo
Portman
Pryce (OH)
Putnam
Quinn
Radanovich
Ramstad
Regula
Rehberg
Reynolds
Riley
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Roukema
Royce
Ryan (WI)
Ryun (KS)
Saxton
Scarborough
Schaffer
Schrock
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Sherwood
Shimkus
Simmons
Simpson
Skeen
Smith (MI)
Smith (NJ)
Smith (TX)
Souder
Spence
Stearns
Stump
Sununu
Sweeney
Tancredo
Tauzin
Taylor (NC)
Terry
Thomas
Thornberry
Thune
Tiahrt
Tiberi
Toomey
Traficant
Upton
Vitter
Walden
Walsh
Wamp
Watkins
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
Whitfield
Wicker
Wilson
Wolf
Young (AK)
Young (FL)

NOES—197

Abercrombie
Allen
Andrews
Baca
Baird
Baldacci
Baldwin
Barcia
Barrett
Becerra
Berkley
Berman
Berry
Bishop
Blagojevich
Blumenauer
Bonior
Borski
Boswell
Boucher
Boyd
Brady (PA)
Brown (FL)
Brown (OH)
Capps
Capuano
Cardin
Carson (IN)
Carson (OK)
Clay
Clayton
Clement
Clyburn
Condit
Conyers
Costello
Cramer
Crowley
Cummings
Davis (CA)
Davis (FL)
Davis (IL)
DeFazio
DeGette
Delahunt
DeLauro
Deutsch
Dingell
Doggett
Dooley
Doyle
Edwards
Engel
Eshoo
Etheridge
Evans
Farr
Fattah
Filner
Ford
Frank
Gephardt
Gonzalez
Gordon
Green (TX)
Gutierrez
Hall (OH)
Harman
Hastings (FL)
Hill
Hilliard
Hinchey
Hoeffel
Holden
Holt
Honda
Hooley
Hoyer
Inslee
Israel
Jackson (IL)
Jackson-Lee (TX)
Jefferson
John
Johnson, E. B.
Jones (OH)
Kanjorski
Kaptur
Kennedy (RI)
Kildee
Kilpatrick
Kind (WI)
Kleczka
Kucinich
LaFalce
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Lee
Levin
Lewis (GA)
Lofgren
Lowey
Lucas (KY)
Luther
Maloney (CT)
Maloney (NY)
Markey
Mascara
Matheson
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McDermott
McGovern
McIntyre
McKinney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Millender-McDonald
Miller, George
Mink
Mollohan
Moore
Moran (VA)
Murtha
Nadler
Napolitano
Neal
Oberstar
Obey
Olver
Ortiz
Owens
Pallone
Pascrell
Pastor
Payne
Pelosi
Phelps
Pomeroy
Price (NC)
Rahall
Rangel
Reyes
Rivers
Rodriguez
Roemer
Ross
Rothman
Roybal-Allard
Rush
Sabo
Sanchez
Sanders
Sandlin
Sawyer
Schakowsky
Schiff
Scott
Serrano
Sherman
Sisisky
Slaughter
Smith (WA)
Snyder
Solis
Spratt
Stark
Stenholm
Tanner
Tauscher
Taylor (MS)
Thompson (CA)
Thompson (MS)
Thurman
Tierney
Towns
Turner
Udall (CO)
Udall (NM)
Velazquez
Visclosky
Waters
Watt (NC)
Waxman
Weiner
Wexler
Woolsey
Wu
Wynn

NOT VOTING—14

Ackerman
Bentsen
Coyne
Cubin
Frost
Greenwood
Hinojosa
Largent
Lewis (CA)
Moakley
Shows
Skelton
Strickland
Stupak

□ 1344

Mr. NUSSLE changed his vote from ''no'' to ''aye.''

So the motion to table was agreed to.

The result of the vote was announced as above recorded.

MOTION TO ADJOURN

Mr. HILL. Mr. Speaker, I move that the House do now adjourn.

The SPEAKER pro tempore. The motion to adjourn offered by the gentleman from Indiana (Mr. HILL) is not debatable.

The question is on the motion to adjourn offered by the gentleman from Indiana (Mr. HILL).

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

RECORDED VOTE

Mr. HILL. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 160, noes 253, not voting 19, as follows:

[Roll No. 41]

AYES—160

Allen
Andrews
Baca
Baird
Baldacci
Baldwin
Becerra
Berkley
Berman
Berry
Bishop
Blagojevich
Bonior
Borski
Boswell
Boucher
Boyd
Brady (PA)
Brown (FL)
Brown (OH)
Capps
Capuano
Cardin
Carson (IN)
Carson (OK)
Clay
Clayton
Clement
Clyburn
Condit
Conyers
Coyne
Cramer
Crowley
Cummings
Davis (CA)
Davis (IL)
DeFazio
DeGette
Delahunt
DeLauro
Deutsch
Dingell
Doggett
Doyle
Eshoo
Farr
Fattah
Filner
Ford
Frank
Gephardt
Gonzalez
Gutierrez
Hall (OH)
Harman
Hastings (FL)
Hill
Hilliard
Hinchey
Hinojosa
Holden
Holt
Hoyer
Israel
Jackson (IL)
Jackson-Lee (TX)
Jefferson
John
Johnson, E. B.
Jones (OH)
Kanjorski
Kaptur
Kennedy (RI)
Kildee
Kilpatrick
LaFalce
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Lee
Levin
Lewis (GA)
Lowey
Lucas (KY)
Luther
Maloney (NY)
Markey
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McDermott
McGovern
McIntyre
McKinney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Millender-McDonald
Miller, George
Mink
Moran (VA)
Nadler
Napolitano
Olver
Ortiz
Owens
Pallone
Pascrell
Payne
Pelosi
Peterson (MN)
Phelps
Pomeroy
Rangel
Reyes
Rodriguez
Ross
Rothman
Roybal-Allard
Rush
Sabo
Sanchez
Sanders
Sandlin
Schakowsky
Schiff
Serrano
Sisisky
Slaughter
Smith (WA)
Snyder
Solis
Stark
Stenholm
Strickland
Tanner
Tauscher
Taylor (MS)
Thompson (CA)
Thompson (MS)
Tierney
Towns
Turner
Udall (CO)
Velazquez
Visclosky
Waters
Watt (NC)
Waxman
Weiner
Wexler
Woolsey
Wynn

NOES—253

Abercrombie
Aderholt
Akin
Armey
Baker
Ballenger
Barcia
Barr
Barrett
Bartlett
Barton
Bass
Biggert
Bilirakis
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bono
Brady (TX)
Brown (SC)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Cannon
Cantor
Capito
Castle
Chabot
Chambliss
Coble
Collins
Combest
Cooksey
Costello
Cox
Crane
Crenshaw
Culberson
Cunningham
Davis (FL)
Davis, Jo Ann
Deal
DeLay
DeMint
Diaz-Balart
Dicks
Dooley
Doolittle
Dreier
Duncan
Dunn
Edwards
Ehlers
Ehrlich
Emerson
Engel
English
Etheridge
Evans
Everett
Ferguson
Flake
Fletcher
Foley
Fossella
Frelinghuysen
Gallegly
Ganske
Gekas
Gibbons
Gilchrest
Gillmor
Gilman
Goode
Goodlatte
Gordon
Goss
Graham
Granger
Graves
Green (TX)
Green (WI)
Grucci
Hall (TX)
Hansen
Hart
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hilleary
Hobson
Hoeffel
Hoekstra
Honda
Hooley
Horn
Hostettler
Houghton
Hulshof
Hunter
Hutchinson
Hyde
Inslee
Isakson
Issa
Istook
Jenkins
Johnson (CT)
Johnson (IL)
Johnson, Sam
Jones (NC)
Keller
Kelly
Kennedy (MN)
Kerns
Kind (WI)
King (NY)
Kingston
Kirk
Kleczka
Kolbe
Kucinich
LaHood
Largent
Latham
LaTourette
Leach
Lewis (KY)
Linder
Lipinski
LoBiondo
Lofgren
Lucas (OK)
Manzullo
Matheson
McCrery
McHugh
McInnis
McKeon
Mica
Miller (FL)
Miller, Gary
Mollohan
Moore
Moran (KS)
Murtha
Myrick
Neal
Nethercutt
Ney
Northup
Norwood
Nussle
Oberstar
Obey
Osborne
Ose
Otter
Oxley
Pastor
Paul
Pence
Peterson (PA)
Petri
Pickering
Platts
Pombo
Portman
Price (NC)
Pryce (OH)
Putnam
Quinn
Radanovich
Rahall
Ramstad
Regula
Rehberg
Reynolds
Riley
Rivers
Roemer
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Roukema
Royce
Ryan (WI)
Ryun (KS)
Sawyer
Saxton
Scarborough
Schaffer
Schrock
Scott
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Sherman
Sherwood
Shimkus
Simmons
Simpson
Skeen
Smith (MI)
Smith (NJ)
Smith (TX)
Souder
Spence
Stearns
Stump
Sununu
Sweeney
Tancredo
Tauzin
Taylor (NC)
Terry
Thomas
Thornberry
Thune
Thurman
Tiahrt
Tiberi
Toomey
Traficant
Udall (NM)
Upton
Vitter
Walden
Walsh
Wamp
Watkins
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
Whitfield
Wicker
Wilson
Wolf
Wu
Young (AK)
Young (FL)

NOT VOTING—19

Ackerman
Bachus
Bentsen
Bereuter
Cubin
Davis, Tom
Frost
Greenwood
Gutknecht
Knollenberg
Lewis (CA)
Maloney (CT)
Moakley
Morella
Pitts
Shows
Skelton
Spratt
Stupak

□ 1400

Mr. PICKERING changed his vote from ''aye'' to ''no.''

So the motion to adjourn was rejected.

The result of the vote was announced as above recorded.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. LAHOOD). The Chair wishes to announce that those Members that are speaking are not allowed to wear badges while they are speaking, and the Chair will abide by that as one of the rules of the House. So if Members intend to speak, please do not wear a badge.

PARLIAMENTARY INQUIRY

Mr. THOMAS. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman from California (Mr. THOMAS) will state his parliamentary inquiry.

Mr. THOMAS. My understanding of the rule is that we are not supposed to wear a button while we are speaking, but we can wear a button on the floor. Is my understanding correct, Mr. Speaker?

The SPEAKER pro tempore. That is what the Chair just indicated.

ECONOMIC GROWTH AND TAX RELIEF ACT OF 2001

Mr. THOMAS. Mr. Speaker, pursuant to House Resolution 83, I call up the bill (H.R. 3) to amend the Internal Revenue Code of 1986 to reduce individual income tax rates, and ask for its immediate consideration.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Pursuant to House Resolution 83, the bill is considered read for amendment.

The text of H.R. 3 is as follows:

H.R. 3

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; ETC.

(a) SHORT TITLE.—This Act may be cited as the ''Economic Growth and Tax Relief Act of 2001''.

(b) AMENDMENT OF 1986 CODE.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

(c) SECTION 15 NOT TO APPLY.—No amendment made by section 2 shall be treated as a change in a rate of tax for purposes of section 15 of the Internal Revenue Code of 1986.

SEC. 2. REDUCTION IN INCOME TAX RATES FOR INDIVIDUALS.

(a) IN GENERAL.—Section 1 is amended by adding at the end the following new subsection:

''(i) RATE REDUCTIONS AFTER 2000.—

''(1) NEW LOWEST RATE BRACKET.—

''(A) IN GENERAL.—In the case of taxable years beginning after December 31, 2000—

''(i) the rate of tax under subsections (a), (b), (c), and (d) on taxable income not over the initial bracket amount shall be 12 percent (as modified by paragraph (2)), and

''(ii) the 15 percent rate of tax shall apply only to taxable income over the initial bracket amount.

''(B) INITIAL BRACKET AMOUNT.—For purposes of this subsection, the initial bracket amount is—

''(i) $12,000 in the case of subsection (a),

''(ii) $10,000 in the case of subsection (b), and

''(iii) ½ the amount applicable under clause (i) in the case of subsections (c) and (d).

''(C) INFLATION ADJUSTMENT.—In prescribing the tables under subsection (f) which apply with respect to taxable years beginning in calendar years after 2001—

''(i) the Secretary shall make no adjustment to the initial bracket amount for any taxable year beginning before January 1, 2007,

''(ii) the cost-of-living adjustment used in making adjustments to the initial bracket amount for any taxable year beginning after December 31, 2006, shall be determined under subsection (f)(3) by substituting '2005' for '1992' in subparagraph (B) thereof, and

''(iii) such adjustment shall not apply to the amount referred to in subparagraph (B)(iii).

If any amount after adjustment under the preceding sentence is not a multiple of $50, such amount shall be rounded to the next lowest multiple of $50.

''(2) REDUCTIONS IN RATES AFTER 2001.—In the case of taxable years beginning in a calendar year after 2001, the corresponding percentage specified for such calendar year in the following table shall be substituted for the otherwise applicable tax rate in the tables under subsections (a), (b), (c), (d), and, to the extent applicable, (e).

''In the case of taxable years beginning during calendar year:	The corresponding percentages shall be substituted for the following percentages:				
	12%	28%	31%	36%	39.6%
2002	12%	27%	30%	35%	38%
2003	11%	27%	29%	35%	37%
2004	11%	26%	28%	34%	36%
2005	11%	26%	27%	34%	35%
2006 and thereafter	10%	25%	25%	33%	33%

''(3) ADJUSTMENT OF TABLES.—The Secretary shall adjust the tables prescribed under subsection (f) to carry out this subsection.''

(b) REPEAL OF REDUCTION OF REFUNDABLE TAX CREDITS.—

(1) Subsection (d) of section 24 is amended by striking paragraph (2) and redesignating paragraph (3) as paragraph (2).

(2) Section 32 is amended by striking subsection (h).

(c) CONFORMING AMENDMENTS.—

(1) Subparagraph (B) of section 1(g)(7) is amended—

(A) by striking ''15 percent'' in clause (ii)(II) and inserting ''the first bracket percentage'', and

(B) by adding at the end the following flush sentence:

''For purposes of clause (ii), the first bracket percentage is the percentage applicable to the lowest income bracket in the table under subsection (c).''

(2) Section 1(h) is amended—

(A) by striking ''28 percent'' both places it appears in paragraphs (1)(A)(ii)(I) and (1)(B)(i) and inserting ''25 percent'', and

(B) by striking paragraph (13).

(3) Section 15 is amended by adding at the end the following new subsection:

''(f) RATE REDUCTIONS ENACTED BY ECONOMIC GROWTH AND TAX RELIEF ACT OF 2001.—This section shall not apply to any change in rates under subsection (i) of section 1 (relating to rate reductions after 2000).''

(4) Section 531 is amended by striking ''equal to'' and all that follows and inserting ''equal to the product of the highest rate of tax under section 1(c) and the accumulated taxable income.''.

(5) Section 541 of such Code is amended by striking ''equal to'' and all that follows and inserting ''equal to the product of the highest rate of tax under section 1(c) and the undistributed personal holding company income.''.

(6) Section 3402(p)(1)(B) is amended by striking ''7, 15, 28, or 31 percent'' and inserting ''7 percent, any percentage applicable to any of the 3 lowest income brackets in the table under section 1(c),''.

(7) Section 3402(p)(2) is amended by striking ''equal to 15 percent of such payment'' and inserting ''equal to the product of the lowest rate of tax under section 1(c) and such payment.''.

(8) Section 3402(q)(1) is amended by striking ''equal to 28 percent of such payment'' and inserting ''equal to the product of the third to the lowest rate of tax under section 1(c) and such payment.''

(9) Section 3402(r)(3) is amended by striking ''31 percent'' and inserting ''the third to the lowest rate of tax under section 1(c)''.

(10) Section 3406(a)(1) is amended by striking ''equal to 31 percent of such payment'' and inserting ''equal to the product of the third to the lowest rate of tax under section 1(c) and such payment.''.

(d) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to taxable years beginning after December 31, 2000.

(2) AMENDMENTS TO WITHHOLDING PROVISIONS.—The amendments made by paragraphs (6), (7), (8), (9), and (10) of subsection (c) shall apply to amounts paid after the date of the enactment of this Act.

The SPEAKER pro tempore. The amendment printed in the bill is adopted.

The text of H.R. 3, as amended, is as follows:

H.R. 3

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; ETC.

(a) SHORT TITLE.—This Act may be cited as the ''Economic Growth and Tax Relief Act of 2001''.

(b) AMENDMENT OF 1986 CODE.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

(c) SECTION 15 NOT TO APPLY.—No amendment made by section 2 shall be treated as a change in a rate of tax for purposes of section 15 of the Internal Revenue Code of 1986.

SEC. 2. REDUCTION IN INCOME TAX RATES FOR INDIVIDUALS.

(a) IN GENERAL.—Section 1 is amended by adding at the end the following new subsection:

''(i) RATE REDUCTIONS AFTER 2000.—

''(1) NEW LOWEST RATE BRACKET.—

''(A) IN GENERAL.—In the case of taxable years beginning after December 31, 2000—

''(i) the rate of tax under subsections (a), (b), (c), and (d) on taxable income not over the initial bracket amount shall be 12 percent (as modified by paragraph (2)), and

''(ii) the 15 percent rate of tax shall apply only to taxable income over the initial bracket amount.

''(B) INITIAL BRACKET AMOUNT.—For purposes of this subsection, the initial bracket amount is—

''(i) $12,000 in the case of subsection (a),

''(ii) $10,000 in the case of subsection (b), and

''(iii) ½ the amount applicable under clause (i) in the case of subsections (c) and (d).

''(C) INFLATION ADJUSTMENT.—In prescribing the tables under subsection (f) which apply with respect to taxable years beginning in calendar years after 2001—

''(i) the Secretary shall make no adjustment to the initial bracket amount for any taxable year beginning before January 1, 2007,

''(ii) the cost-of-living adjustment used in making adjustments to the initial bracket amount for any taxable year beginning after December 31, 2006, shall be determined under subsection (f)(3) by substituting '2005' for '1992' in subparagraph (B) thereof, and

''(iii) such adjustment shall not apply to the amount referred to in subparagraph (B)(iii).

If any amount after adjustment under the preceding sentence is not a multiple of $50, such amount shall be rounded to the next lowest multiple of $50.

''(2) REDUCTIONS IN RATES AFTER 2001.—In the case of taxable years beginning in a calendar year after 2001, the corresponding percentage specified for such calendar year in the following table shall be substituted for the otherwise applicable tax rate in the tables under subsections (a), (b), (c), (d), and, to the extent applicable, (e).

''*In the case of taxable years beginning during calendar year:*	*The corresponding percentages shall be substituted for the following percentages:*				
	12%	*28%*	*31%*	*36%*	*39.6%*
2002	*12%*	*27%*	*30%*	*35%*	*38%*
2003	*11%*	*27%*	*29%*	*35%*	*37%*
2004	*11%*	*26%*	*28%*	*34%*	*36%*
2005	*11%*	*26%*	*27%*	*34%*	*35%*
2006 and thereafter	*10%*	*25%*	*25%*	*33%*	*33%*

''(3) ADJUSTMENT OF TABLES.—The Secretary shall adjust the tables prescribed under subsection (f) to carry out this subsection.''

(b) REPEAL OF REDUCTION OF REFUNDABLE TAX CREDITS.—

(1) Subsection (d) of section 24 is amended by striking paragraph (2) and redesignating paragraph (3) as paragraph (2).

(2) Section 32 is amended by striking subsection (h).

(c) CONFORMING AMENDMENTS.—

(1) Subparagraph (B) of section 1(g)(7) is amended—

(A) by striking ''15 percent'' in clause (ii)(II) and inserting ''the first bracket percentage'', and

(B) by adding at the end the following flush sentence:

''For purposes of clause (ii), the first bracket percentage is the percentage applicable to the lowest income bracket in the table under subsection (c).''

(2) Section 1(h) is amended—

(A) by striking ''28 percent'' both places it appears in paragraphs (1)(A)(ii)(I) and (1)(B)(i) and inserting ''25 percent'', and

(B) by striking paragraph (13).

(3) Section 15 is amended by adding at the end the following new subsection:

''(f) RATE REDUCTIONS ENACTED BY ECONOMIC GROWTH AND TAX RELIEF ACT OF 2001.—This section shall not apply to any change in rates under subsection (i) of section 1 (relating to rate reductions after 2000).''

(4) Section 531 is amended by striking ''equal to'' and all that follows and inserting ''equal to the product of the highest rate of tax under section 1(c) and the accumulated taxable income.''.

(5) Section 541 is amended by striking ''equal to'' and all that follows and inserting ''equal to the product of the highest rate of tax under section 1(c) and the undistributed personal holding company income.''.

(6) Section 3402(p)(1)(B) is amended by striking ''7, 15, 28, or 31 percent'' and inserting ''7 percent, any percentage applicable to any of the 3 lowest income brackets in the table under section 1(c),''.

(7) Section 3402(p)(2) is amended by striking ''equal to 15 percent of such payment'' and inserting ''equal to the product of the lowest rate of tax under section 1(c) and such payment''.

(8) Section 3402(q)(1) is amended by striking ''equal to 28 percent of such payment'' and inserting ''equal to the product of the third to the lowest rate of tax under section 1(c) and such payment''.

(9) Section 3402(r)(3) is amended by striking ''31 percent'' and inserting ''the third to the lowest rate of tax under section 1(c)''.

(10) Section 3406(a)(1) is amended by striking ''equal to 31 percent of such payment'' and inserting ''equal to the product of the third to the lowest rate of tax under section 1(c) and such payment''.

(11) Section 13273 of the Revenue Reconciliation Act of 1993 is amended by striking ''28 percent'' and inserting ''the third to the lowest rate of tax under section 1(c) of the Internal Revenue Code of 1986''.

(d) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to taxable years beginning after December 31, 2000.

(2) AMENDMENTS TO WITHHOLDING PROVISIONS.—The amendments made by paragraphs (6), (7), (8), (9), (10), and (11) of subsection (c) shall apply to amounts paid after the 60th day after the date of the enactment of this Act.

SEC. 3. PROTECTION OF SOCIAL SECURITY AND MEDICARE.

The amounts transferred to any trust fund under the Social Security Act shall be determined as if this Act had not been enacted.

The SPEAKER pro tempore. After 1 hour of debate on the bill, as amended, it shall be in order to consider a further amendment printed in House Report 107–12, if offered by the gentleman from New York (Mr. RANGEL) or his designee, which shall be considered read, and shall be debated for 60 minutes, equally divided and controlled by a proponent and an opponent.

The gentleman from California (Mr. THOMAS) and the gentleman from New York (Mr. RANGEL) each will control 30 minutes of debate on the bill, as amended.

The Chair recognizes the gentleman from California (Mr. THOMAS).

Mr. THOMAS. Mr. Speaker, I yield myself such time as I may consume.

Mr. and Mrs. America, help is on the way, H.R. 3. This bill is only seven pages long. How ironic. The usual complaint about congressional bills is that they are about as long as War and Peace or they weigh between 10 or 12 pounds. Seven pages. What is inside these seven pages?

Before a Joint Session of Congress, President Bush asked Congress to make sure no hard-working income tax payer pays more than one-third of their income in taxes. It is here. It is in these seven pages.

President Bush said he wanted immediate relief for small business. Seventeen million individual returns are actually small businesses. It is here. It is in these seven pages. Small businesses will have more money this year to pay workers, buy inventory or pay heating or lighting bills.

President Bush said more low income workers should not have to pay any income tax. It is here in these seven pages. More than 4 million low-income workers are freed from their income tax burden. President Bush said the economy is faltering. In fact, a number of economists and all of the leading economic indicators say the economy is faltering.

President Bush said every hard-working American taxpayer should have some of their money returned. It is here. It is in these seven pages. Money so these hard-working Americans can pay their bills with more of their own money.

Mr. Speaker, today we offer the heart of President Bush's tax plan, lower taxes, permanently for all, H.R. 3. It is about time.

Mr. Speaker, I reserve the balance of my time.

Mr. RANGEL. Mr. Speaker, I yield myself 2 minutes.

Mr. Speaker, I agree with the gentleman from California (Mr. THOMAS), the chairman of the Committee on Ways and Means, it is only seven pages, but what is in those seven pages?

This is not the tax bill that we hear the President talking about. This does not give relief to people who are married and suffer the marriage penalty. It does not take care of the estate tax. Who it takes care of politically are the top rollers in the United States.

Mr. Speaker, 60 percent of the relief that is in this part of the bill and the other parts that they will bring in tomorrow will go to the top 10 percent of the people in America, 43 percent of it goes to the top 1 percent. Yet they do not even have a budget.

They would have us to believe that they are working under last year's budget, and technically it is this year's budget. But one thing is clear that they waived all rules that would prevent them from having to say that there is a budget on the floor today.

We do hope that those of us who are concerned about Social Security, about Medicare, about prescription drugs, about improving the quality of education, about making certain our farmers and those young men and women who serve in the military that they are protected. How would we ever know without a budget, but we can take a riverboat gamble that perhaps the CBO at one time is right and maybe the $5.6 trillion is going to be there, but all of this money that we will be saying that we are giving back to the people, we do not give them back their obligations for the $3.4 trillion of debt that we got in before because of reckless fiscal policy.

What we had hoped is that we could have a budget of measure and be able to make decisions in a framework of what our responsibilities are, but, unfortunately, the other side believes that the faster they go, the better it is and so, therefore, we hope to slow down this train so the American people could take a good look at the fraud that is being perpetrated.

Mr. Speaker, I reserve the balance of my time.

Mr. THOMAS. Mr. Speaker, it is my pleasure to yield 1 minute the gentleman from Illinois (Mr. WELLER), a member of the Committee on Ways and Means.

(Mr. WELLER asked and was given permission to revise and extend remarks.)

Mr. WELLER. Mr. Speaker, I rise to support this legislation. It is vitally important legislation. In representing the Chicago area, we are seeing tens of thousands of layoffs.

I have families every day that tell me about their needs, their struggle to pay their high energy home heating bills. They are struggling to pay off their credit card bills. They are seeing their neighbors lose their jobs. And President Bush, as we know, inherited a weakening economy, and he is proposing that we move quickly to fix it and put some money back into the economy and protect jobs and help people pay off their bills.

This legislation will provide real money for real people. I am pleased to point out and thank the leadership of the gentleman from California (Mr. THOMAS). This tax relief is retroactive, which means it will be effective this year, giving taxpayers, every taxpayer who pays taxes, the opportunity to have some extra money. That is a fine point about this bill.

It is not targeted so that people are excluded or divided. It means if you pay taxes this rate reduction benefits everyone. It provides real money for real people.

Mr. Speaker, I would note for a married couple with two kids, a combined income of $75,000, a machinist and schoolteacher, it will provide $1,600 in tax relief once fully phased in, $400 this year.

Mr. RANGEL. Mr. Speaker, I yield such time as he may consume to the gentleman from Michigan (Mr. DINGELL).

(Mr. DINGELL asked and was given permission to revise and extend his remarks.)

Mr. DINGELL. Mr. Speaker, I rise in opposition to this outrageous piece of legislation on which none of my Republican colleagues have the vaguest idea of what they are doing.

Mr. RANGEL. Mr. Speaker, I yield 1½ minutes to the gentleman from California (Mr. MATSUI), a senior member of the Committee on Ways and Means.

Mr. MATSUI. Mr. Speaker, I thank the gentleman from New York (Mr. RANGEL) for yielding the time to me.

Mr. Speaker, the whole basis of this Bush tax cut which ultimately will be $1.6 trillion, maybe $2 trillion or $3 trillion, when it is finished, no one knows what the total amount will be, the whole basis of this tax cut is based upon surplus projections over the next 10 years from the Congressional Surplus Budget Office that does estimates. In the document that said that we will have $5.6 trillion, the Congressional Budget Office also said that there is only a 50 percent probability that the 5-year projections will be correct, and they say in the 10-year projections they cannot even assess whether or not they will occur because they have no experience at it.

If you take away the fact that these projections are kind of guesswork, like whether the weather, in fact, will have snow next week or last week, and maybe it did not, then if you take away that, the whole basis of this tax cut then becomes illusionary, and that means if it does not happen, we are going to have to cut health care benefits. We are not going to be able to get prescription drug treatment to our senior citizens.

Mr. Speaker, I will guarantee that we will have to make significant cuts in Social Security, if, in fact, this tax cut occurs and these numbers do not come up, and we know these numbers are just based upon nothing but guesswork, and it is my hope that the Members will come to their senses and be very, very cautious, because the Democrats have a tax cut that basically is modest.

It is about $600 billion, which is a lot of money, but at the same time that tax cut is well within a budget framework and obviously will stay within these guesswork numbers.

Mr. THOMAS. Mr. Speaker, it is my pleasure to yield 2 minutes to the gentleman from Arizona (Mr. HAYWORTH), a member of the Committee on Ways and Means.

Mr. HAYWORTH. Mr. Speaker, I thank the gentleman from California (Mr. THOMAS), the chairman of the Committee on Ways and Means for yielding me the time.

Mr. Speaker, I listened with great interest to my friend from California (Mr. MATSUI) on the other side of the aisle acknowledging what we all know, none of us here have the gift of clairvoyance. Indeed, the other side did not have the gift of clairvoyance when they disregarded budget rules, waived budget rules and spent and spent and spent and spent more of your hard earned money.

Now to hear my friends on the other side with this born-again devotion to passing a budget first, I simply say, Mr. Speaker, what about the family budget? What about your constituents working hard to make ends meet? What about your constituents sending up to 40 percent of their income in taxation to some form of government? What about your constituents paying more in for taxes than for food, clothing and shelter combined? What about your constituents who you have asked time and time and time again to sacrifice so that Washington can do more?

Mr. Speaker, I would suggest that is exactly backwards. Washington should live within its means so that American families can have more in this year. For a married couple, an extra $400 this year, I know to big spenders it does not sound like much, but it helps pay down credit card debt. It helps buy new clothes for the kids or a new set of tires.

In short, it is real money for real people, and it is money that belongs to the people, not to the government.

Mr. Speaker, what we see here in this debate this afternoon is really a conflict in philosophy. Some folks here honestly believe Washington needs the people's money more than the people do. We respectfully submit that is exactly backwards.

The American people need more of their hard earned money especially in these times of economic uncertainty, and joining together with the passage of H.R. 3 this afternoon, we take this important step.

Mr. Speaker, I urge my colleagues to vote in the affirmative.

Mr. RANGEL. Mr. Speaker, I yield 1½ minutes to the gentleman from Washington (Mr. MCDERMOTT), a senior member of the Committee on Ways and Means.

(Mr. MCDERMOTT asked and was given permission to revise and extend his remarks.)

Mr. MCDERMOTT. Mr. Speaker, I am here to oppose any tax cut until we get a budget.

Now, the last speaker, the gentleman from Arizona (Mr. HAYWORTH) said we do not need a budget. Let me tell you why we do. I sit on the Budget Committee, as well as on the Ways and Means Committee, and we had the wizard from Wisconsin appear before the Budget Committee.

That was former Governor Thompson who is now head of HHS. He did not answer a single question that comes from the budget book ''A Blueprint For New Beginnings which the President sent to us and told us about.

On page 15, this book says that Medicare is going to be $645 billion in the hole over the next 10 years. On page 51, the President says we will put $153 billion into Medicare. Now that is $400 billion that will not be there for Medicare.

Better yet, the wizard says I am going to give you a prescription drug benefit. In that $153 billion they are sticking in, somewhere they are going to come up with $159 billion for the prescription drug benefit this House passed in the last session. Those numbers do not add up, and that is just one part of this budget.

I was in Seattle the other day listening about whether I should come back from the earthquake which nobody predicted. The projections on earthquakes are kind of bad. They said there was going to be 2 feet of snow here, so I got on the plane in Seattle, and I arrived here and walked off and there were two flakes.

Anybody who votes for this tax budget is reckless.

I will not support a tax cut without a budget.

I. NEED BUDGET FIRST ARGUMENT

I went to the Budget Committee hearing yesterday where Secretary Thompson testified. He could not answer a single question about how we are going to meet our financial obligations for Medicare.

The President allocates $153 billion to modernize Medicare—this includes a prescription drug benefit and his Immediate Helping Hand program. This ''modernization'' effort will not give the Medicare program the infusion of dollars it so desperately needs. This amount will not even be enough to fund a prescription drug benefit, let alone have any success in so-called modernization. Last year's House Republican plan alone carried a 10-year price tag of $159 billion. But according to many health care analysts, even this amount is inadequate.

The administration puts Part A HI surplus into a $842 billion contingency fund. This fund must be the same ''one trillion additional reasons'' to which the President referred in his speech last week as to why we should feel comfortable with his budget.

But the administration promises the HI fund will be used only for Medicare. So really, this fund is worth only about half of that amount.

The administration combines Part A and B and tells us we are really in a deficit. Using the administration's own numbers, I asked the Secretary, how are we going to meet these obligations—is it through increasing the payroll tax, decreasing benefits, decreasing payments to providers? He could not answer the question.

The program needs an infusion of money, but the Secretary does not know how to achieve that. Of course not—the administration is trying to ram a tax cut down our throats before considering the budget.

Where is the allocation of money for the President's tax credit proposal to help the uninsured? I suppose that is one of the trillion reasons why I should feel comfortable with his budget.

II. ECONOMIC STIMULUS ARGUMENT

We are told that the reason that this tax bill was rushed through the Ways and Means Committee, and rushed to the floor is because our economy is in dire need of a tax cut. We must stimulate the economy—we are told. But this tax cut was proposed in 1999. It had nothing to do with the economy then. Furthermore, the principle reason CBO's budget projections show larger surpluses in their latest estimates is that CBO now believes the economy generally will be stronger over the next 10 years than previously thought. This completely undermines the argument that a large, permanent, and growing tax cut is needed to help ward off the impending arrival of a weak economy.

His tax cut will give $360 to families in the first year—this is a dollar a day. If you're lucky, you can buy a cup of coffee. How can we expect one dollar a day to stimulate the economy?

Supporters claim that knowing your marginal rates will be increased will cause people to spend which will in turn stimulate the economy. All that will increase is their personal debt!

Not to mention, this tax bill is dead-on-arrival in the Senate, where they will wait until after they've passed their budget.

III. GOVERNMENT SPENDING IS GOOD ARGUMENT

There has been much focus on Chairman Greenspan's testimony and the peril of reaching zero debt. There is a misconception that government spending is a bad idea. Republicans ask—who needs the money more—the American people or Washington, DC. But this is a completely misleading question and not the choice with which we are faced.

Government spending is money spent for the people—for the welfare of our citizens and includes social goods that individuals independently would not have otherwise purchased.

Take for example the latest disaster in my district, in Seattle. We just experienced an earthquake registered at 6.8.—6.8 in India leveled buildings and caused massive loss of life—thousands of people. But in Seattle, we were extremely lucky. There was no loss of life.

I was just there. I saw the extent of the damage with my own eyes. While there was an estimated $2 billion worth of damage, it could have easily been so much worse—had we not prepared.

But we did prepare—with the help of a government program called Project Impact. Seattle was one of seven cities chosen for $1 million pilot programs in 1998. This forward-looking program linked community leaders to corporations interested in blunting the economic fallout from natural disasters.

The government provides the initial seed money and suggestions to get various stakeholders involved and invested in prevention and investment efforts.

Project Impact began with seven pilot communities and quickly became a nationwide initiative as more communities began to see the value in disaster planning. Today there are nearly 250 Project Impact communities as well as more than 2500 businesses that have joined Project Impact as partners.

As I surveyed the damage myself, I said—''This initiative worked!''

This is a prime example of government spending for the public good. But unfortunately, this administration wants to abolish it to save $25 million, as they try and find the funds to pay for their $2 trillion tax cut.

This is also a perfect example of why government spending is good, and why I will not vote for a tax cut before I know the budget.

IV. TAX CUT IS BIASED AND UNFAIR ARGUMENT

The tax cut proposal from President Bush is biased and unfair, giving disproportionately less money to working poor families.

Bush supporters talk in terms of marginal tax rates and percentages, but not dollars. They will tell us that the poor receive a large reduction in marginal tax rates in order to help them obtain access to the middle class. But they do not tell us that one in three families receive no benefits.

Twelve million families with children would not receive any tax cut. One-third of all children and more than one-half of black and Hispanic children live in excluded families. But 80% of these families have workers. In other words, they pay taxes, payroll taxes. They have contributed to the very surplus President Bush is trying to raid.

Why shouldn't all Americans benefit from the economic growth and prosperity that has resulted in our surpluses?

Yes, I believe in a lockbox for both Social Security and Medicare, but there are ways to give breaks to lower income families with no tax liabilities.

If President Bush really wants to help hard-working individuals obtain access to the middle class, why does he reduce rates across only the first 25% of income within the 15% bracket income tax rates—to 10%, while all other income amounts within all other tax brackets experience the rate reduction. Why am I not surprised?

Mr. THOMAS. Mr. Speaker, it is my pleasure to yield 2 minutes to the gentlewoman from Washington (Ms. DUNN), a member of the Committee on Ways and Means.

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Ms. DUNN. Mr. Speaker, there are two reasons for the tax relief bill that we are considering on the floor this afternoon. First, as the Federal Government continues to amass surpluses, we must share this reward with the people who produced it. The longer we delay providing tax relief, the less likely it will materialize. Because we know that it is a fundamental fact that, if that money stays in Washington, D.C., it will be spent.

Under this bill alone, a typical family of four with an income of $55,000 a year would see a tax cut of nearly $400 this year; and under the entire bill, which we will be addressing later on, $2,000 once the plan is fully implemented.

Second is, as the economy softens, tax relief will provide critical stimulus to prevent this country from going into a prolonged recession.

Wait for the budget. Sure, we could do that. But H.R. 3 would increase family income. It will boost economic activity, and it will contribute to job growth. We need to get this tax relief moving now. Why wait?

The critics and doomsayers claim that H.R. 3 is too large, it is reckless, it is unfair. I respectfully disagree on all counts. The bracket reduction represents 25 percent of the projected budget surplus. It is also fair. Under H.R. 3, every taxpayer will receive relief, every taxpayer. It targets no one in and no one out.

Indeed, those in the lowest bracket will garner immediate benefit retroactive to the beginning of this year. Mr. Speaker, I urge my colleagues to support this bill.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. LAHOOD). The Chair asks Members not to have signs posted when they are not standing at the podium. The Chair would prefer that when Members come to the podium, they can put their exhibit up, but not before beginning their remarks.

Mr. RANGEL. Mr. Speaker, I yield 1½ minutes to the gentleman from New York (Mr. MCNULTY), the gentleman in the well who has the sign up there.

Mr. MCNULTY. Mr. Speaker, the American people have seen so many numbers recently. I know their eyes are glazing over. They do not know who to believe.

This is going to be the simplest chart my colleagues are going to see in this debate today. I am going to use all the President's numbers. You will see no McNulty numbers no Rangel numbers, no Gephardt numbers; all the President's numbers.

He says we are going to have a $5.6 trillion surplus in the next 10 years. We think it is like a weather forecast. But let us assume it happens. We get the $5.6 trillion. He pledged at the podium behind me very recently that we were going to reduce the national debt by $2 trillion. I like that. I support the President in that regard. That takes us down to $3.6 trillion.

He also pledged to protect Social Security and Medicare. Every person I am looking at on this floor voted to do that with the lockbox legislation just a couple of weeks ago. That is $2.9 trillion. All his numbers. That takes us down to less than 1 trillion, 700 billion dollars.

If one subtracts from that, not the 1.6, not the Rangel 2 trillion, not the Gephardt 2.2 trillion, just what we are doing today, just $900 billion. And subtract that from what is left, you have a deficit of $200 billion. All the President's numbers. Even if this projection comes true.

Mr. Speaker, we should not go back to the days of deficit spending. We owe more to our children and grandchildren than to drown them in a sea of red ink.

I urge my colleagues to reject this proposal, to support the Rangel substitute.

Mr. THOMAS. Mr. Speaker, those numbers are very bright, they are very bold, they are nicely drawn, they are absolutely wrong.

Mr. Speaker, I yield 15 seconds to the gentleman from Louisiana (Mr. MCCRERY) on how wrong the numbers are.

Mr. MCCRERY. Mr. Speaker, the numbers of the gentleman from New York (Mr. MCNULTY) are incorrect. They are not the President's numbers. He double-counts $2 trillion of the $2.9 trillion of Social Security surplus.

Mr. THOMAS. Mr. Speaker, it is my pleasure to yield 2 minutes to the gentleman from Texas (Mr. SAM JOHNSON), a member of the Committee on Ways and Means.

Mr. SAM JOHNSON of Texas. Mr. Speaker, it is $363 billion over 5 years. So when one is talking in bigger numbers like that, one is absolutely wrong.

Do my colleagues know what? This is a great day for every American who pays taxes, because today we are going to give each and every American some of their own money back.

Unlike the Democrats, Republicans know that the surplus is the people's money, not the government's money. It is a tax surplus. With a slowing economy and public confidence slipping, we have got to act now because our failure to act could just make matters worse. That is irresponsible.

We do represent the people of the United States. That is why every Member of Congress should vote to approve this fair and responsible tax relief bill. It returns money to those who need it the most, low- and middle-income families. Do not deny them their own money. They worked hard to earn it, and we ought to work just as hard to give it back.

Mr. RANGEL. Mr. Speaker, I yield 1 minute to the gentleman from Tennessee (Mr. TANNER).

Mr. TANNER. Mr. Speaker, I am one of the Blue Dog members on the Committee on Ways and Means, and I tell you, we want as large a tax cut as is responsible and consistent with protecting Social Security and Medicare and retiring the national debt, not to mention the needs of military, education and agriculture. The way you do that is you get a budget. I know of no prudent business person in this land who would make a critical operating decision in his company without a budget.

And, you know, people are overtaxed. Let me give my colleagues one reason why. Look at the debt of this country. Every person in this country is responsible for $20,300 of debt. For a family of four, that is $82,000 worth of debt that they have on them.

Retiring the debt is one of the priorities of the Blue Dogs. We think there is room to do both. But the way you do that and to make sure that you are in a position to do both is to have a budget first and then you get to where we want to go with the tax cut.

Mr. THOMAS. Mr. Speaker, it is my pleasure to yield 2 minutes to the gentleman from Minnesota (Mr. RAMSTAD), a member of the Committee on Ways and Means.

Mr. RAMSTAD. Mr. Speaker, I thank the chairman for yielding me this time.

Mr. Speaker, for the life of me, I cannot understand how those opposed to tax relief can make spending decisions based on projected revenues. You can spend the taxpayers' money based on projected revenues, but you cannot provide tax relief based on those same revenues?

All we are talking about, Mr. Speaker, is returning 1 of 4 surplus dollars back to the taxpayers. It is their overpayments that are creating the surplus. It is the taxpayers' money, not the government's money.

Let us put this into context. All we are talking about, those of us who support this much-needed tax relief, we are talking about returning 6 percent of the $28 trillion in government revenues over the next 10 years, 6 percent of $28 trillion in revenues. That is hardly a risky tax scheme or overgenerous to return 1 of 4 surplus dollars based on the same projections that you are spending money, that we are all spending money.

Our economy needs the stimulus of a tax cut. Every day in Minnesota, my constituents are telling me sales are slow, orders are slow, inventories are up, consumer confidence is down. More layoffs.

This tax relief will bring immediate relief to families who are pinched financially. It will lift consumer confidence and boost our sputtering economy. Our families need this tax relief, our overtaxed taxpayers deserve it, and economic growth in America depends on it.

People want to pay off credit-card debt. They want to make car and mortgage payments, pay energy bills. That is why we need to get this tax relief to them, as the President says, as soon as possible.

American people are paying the highest level of taxes in peacetime history. We need to return the surplus, the taxpayers' overpayments to them in the form of these marginal rate reductions. This tax cut will not threaten fiscal discipline, but it will mean real relief for American families and for our sinking economy. The taxpayers of America deserve this tax relief now.

Mr. RANGEL. Mr. Speaker, I yield 1 minute to the gentleman from Mississippi (Mr. TAYLOR).

Mr. TAYLOR of Mississippi. Mr. Speaker, to the gentleman from Minnesota (Mr. Ramstad) and every single Member of this House who has talked about a surplus today, this is reality. I have challenged every one of you to say it is not true.

Our Nation is 5 trillion 700 billion dollars in debt. What the gentleman from California (Mr. THOMAS) will not tell us is that the people who benefit the most from this tax break are the same people who own this debt and the same people who are on the receiving end of $1 billion a day from the taxpayers in interest payments. They benefit the most.

What he will not tell us is that the people who benefit the most do not really care if we do not pay back the trillion dollars to Social Security, because they are not counting on that check. They do not need it. But the folks I represent do. They paid into that fund. We owe them a trillion bucks. I say we pay them back.

What the gentleman from California (Mr. THOMAS) will not tell us is that the folks who owe 228 billion to the Medicare Trust fund do not care if we do not pay it back, because they can afford private insurance. My folks cannot. They paid into this fund. I say let us pay it back. What the gentleman from California will not tell you is the folks who benefit the most on this tax bill do not care if we do not repay $165 million to military retirees because that is not what they are counting on to live. But the folks I represent did earn that money. I say let us pay them back.

Mr. THOMAS. Mr. Speaker, I yield 1 minute to the gentleman from North Carolina (Mr. COBLE).

Mr. COBLE. Mr. Speaker, what have the Republicans done for Americans. We reformed welfare, reduced capital gains tax. We have removed the earnings cap that penalized working seniors. We tried to repeal the estate tax and the marriage penalty; President Clinton rejected those proposals, however.

Mr. Speaker, today we say to American taxpayers, you earned it, you will get to keep more of it. Fairness and equity at work. Many of my Democrat colleagues, and I do not say this critically, promote a big, bloated Federal Government. Many of my Republican colleagues, conversely, encourage the maintenance of a small, lean Federal Government thereby freeing up more money for taxpayers. Yes, the debt has stopped being ignored. The debt will continue to be paid down gradually, but we are not turning a deaf ear or a blind eye to the American taxpayer who earned it in the first place. American taxpayers, this is a good day for you. This is a victory for you.

Mr. RANGEL. Mr. Speaker, I yield 1½ minutes to the gentleman from Maryland (Mr. CARDIN).

Mr. CARDIN. Mr. Speaker, there are many reasons to vote against this bill. First, the numbers do not add up. The bill is much more expensive than advertised. I hear my colleagues say that all taxpayers will benefit. We know unless we fix the alternative minimum tax, that is not true, the bill is going to cost more money. It is based upon 10-year projected surpluses. CBO has never been able to project a surplus 2 years accurately let alone 10 years accurately. The surplus could be $2.5 trillion less than we are advertising.

We know that the passage of this bill will make it much more difficult for us to deal with Social Security, Medicare, prescription drugs, paying down our national debt and investing in education.

This bill violates our own budget rules. Section 303 of the Budget Act says we are supposed to have a budget before we bring up any revenue bill. The Committee on Rules waived that budget violation. Section 311 of the Budget Act says all tax bills have to be within the existing budget. This violates that budget rule.

Then we are trying to work in a bipartisan way. I heard the President over and over again say let us work together. One would think the first thing we would want to do is work out a bipartisan budget instead of bringing forward piecemeal tax bills. This is not a good sign for us working together in a productive way. This bill is reckless. This bill is wrong, and I encourage my colleagues to vote against it.

Mr. THOMAS. Mr. Speaker, I think a good sign to the American taxpayer would be voting tax relief.

Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. HERGER), a member of the Committee on Ways and Means.

Mr. HERGER. Mr. Speaker, I rise in support of H.R. 3, the Economic Growth and Tax Relief Act of 2001. This legislation will provide real tax relief for American families at a time when it is urgently needed. Simply put, Americans are overtaxed considering that Americans today face a higher tax burden than they have at any other time since World War II. In fact, on average families today pay more in taxes than they spend on food, clothing and shelter combined.

Once fully phased in, President Bush's plan will enable the typical family of four to keep at least $1,600 more of their own money. This is real help for families trying to make ends meet. $1,600 will pay the average mortgage for almost 2 months. This relief will pay for a year's tuition at a community college or the cost of gasoline for two cars for a year.

In my home State of California, families will be able to use their tax refund to help cope with our State's high energy costs.

Let us be clear. If we leave the tax surplus in Washington, it will be spent on bigger government. Americans have been overcharged, and it is time to give them their refund.

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The legislation before us is a critical first step in this process. I urge my colleagues to support this legislation.

Mr. RANGEL. Mr. Speaker, I yield 1½ minutes to the gentlewoman from New York (Ms. VELÁZQUEZ), the senior Democrat on the Committee on Small Business.

Ms. VELÁZQUEZ. Mr. Speaker, I rise today in strong opposition to the President's tax plan.

My colleagues, we are here today to talk about tax cuts, but let us spend a little time examining how the President is going to pay for this tax cut. The President says his budget will increase access to capital and expand opportunities for small businesses throughout America. But let us be clear. This tax proposal is paid for on the backs of this Nation's small businesses.

To pay for what we are voting on today, the President's budget tacks on exorbitant fees for SBA loans that increase the costs on small business owners by up to $2,400 for each loan and $7,000 over the life of the average loan. Ask any small business owner and they will tell you that ''fee'' is code word for ''tax.''

But small businesses needing access to capital are not only the only ones being taxed. To add insult to injury, the President's budget proposal goes after those small businesses that have their businesses destroyed through a natural disaster. Many of the Members of this body have seen the effects of natural disasters. The assistance provided through disaster loans gives hope for small businesses. But the President's budget effectively kicks them when they are down by forcing them to pay an additional $7,000, making it impossible for them to ever rebuild their businesses.

I ask and I urge the Members to vote ''no'' on this ill-conceived tax plan.

Mr. THOMAS. Mr. Speaker, may I inquire about the time remaining on each side.

The SPEAKER pro tempore (Mr. LAHOOD). The gentleman from California (Mr. THOMAS) has 17 minutes remaining, and the gentleman from New York (Mr. RANGEL) has 18½ minutes remaining.

Mr. RANGEL. Mr. Speaker, I yield 1½ minutes to the gentleman from Wisconsin (Mr. KLECZKA), a senior member of the Committee on Ways and Means.

Mr. KLECZKA. Mr. Speaker, the question before the House today is not whether or not we should have a tax cut; the question is what size should a tax cut be.

This meager little 7-page bill before us has a price tag of almost $1 trillion. Well, that is fine, but I ask my colleagues, is the $1 trillion here today? And the answer is no. That is a 10-year projection. So what we are in essence doing is committing money today that we think and hope and pray will come to Washington in the years 2006, 2009, 2011.

How many of my colleagues would plan a vacation based on a 10-year weather forecast? Would they reserve the hotel room? Would they buy the airplane ticket because they were told that on a particular week or day in the year 2009 it is going to be good weather? We would all think that is sheer nonsense. Well, my friends, that is what we are doing today.

So the Democrats are saying, let us go slower, and if in the year 2006 the surpluses, the projectors, the crystal ball is right, we will cut taxes again. We did this only 20 years ago. A similar Congress with a Republican President cut taxes. And what happened to the country? We ballooned the national debt from $1 trillion to almost $4 trillion. So what I see happening today is deja vu.

We have not paid off the old national debt. In fact, I saw a friend of mine at the airport and he said, JERRY, vote to send my money. I want my money back. And, I said, I am going to do that. But, my friend, what should I do about your national debt, totaling $12,500?

Mr. THOMAS. Mr. Speaker, I yield myself such time as I may consume to merely respond that someone once said that everyone talks about the weather, but no one can do anything about it. This is tax reduction. We can do something about it. We can vote aye on H.R. 3.

Mr. Speaker, I yield 2 minutes to the gentlewoman from Connecticut (Mrs. JOHNSON), a member of the committee.

Mrs. JOHNSON of Connecticut. Mr. Speaker, I thank the gentleman for yielding me this time, and I rise in strong support of H.R. 3.

The time is right. The time is now to give hard-working Americans substantial tax relief. It simply amazes me that Americans spend more in taxes than they spend on food, clothing, and housing combined. The tax burden on ordinary working people in today's America is higher than it has been at any time since World War II, and the average household pays two and a half times more in taxes than it paid in 1985. This is unacceptable. It is unfair. It is just plain outright wrong.

Let us look at what is happening to those tax dollars that they are pouring into Washington. For one thing, they are building up a surplus faster than at any time in our history. Just yesterday, our Secretary of the Treasury said that right now, this month of March, our surplus is $75 billion. A year ago, in that economic year, at the same time, it was only $40 billion. So in spite of the leveling off of the economy, the surplus is growing more rapidly now than it was a year ago. The surplus dollars are our taxes. They are just the fruit of the hard labor of the American people.

We can reduce the debt; pay it right down. We can spend on our priorities like education and health care; and, yes, we can and must reduce people's taxes. It is their money. They deserve a portion of it back, and they deserve that today.

Mr. RANGEL. Mr. Speaker, I yield 1 minute to the gentleman from Texas (Mr. GREEN).

(Mr. GREEN of Texas asked and was given permission to revise and extend his remarks.)

Mr. GREEN of Texas. Mr. Speaker, I thank the gentleman for yielding me this time.

Despite our President's promises to end the partisan tenor in Washington, our congressional Republicans continue to use the same old tactics. This does not match the procedure the President stated as his goal. For the last 2 days, Congress has debated two extremely divisive issues. Yesterday, after 1 hour, we undid job-safety standards we had been working on for 10 years; and today we are considering a tax bill that could wipe out the current surplus and our effort to reduce our $5 trillion national debt.

What is worse, we are doing this without a budget. We do not know what else we are doing with the people's money. We do not have any contingency funds. We are just racing around this process with the hope that when we are finished we will still have some money left over.

We should have a budget in place before we start either spending or cutting revenue. We need to protect Medicare, Social Security, we need to pay down the debt, and we need to make sure there is money for our children's education, health care costs and energy bills. We can cut taxes, but we need to look at it responsibly, Mr. Speaker.

I support a broad and even retroactive tax cut. I do not want our citizens too overburdened by a tax system any more than our Republican colleagues do, but we know the priorities of our citizens is not immediately to have a tax cut.

Mr. THOMAS. Mr. Speaker, I yield 2 minutes to the gentleman from Ohio (Mr. PORTMAN), a valuable member of the Committee on Ways and Means.

Mr. PORTMAN. Mr. Speaker, I thank the chairman for yielding me this time, and I applaud him for this tax bill, which is a great tax relief effort; and I will be strongly supportive.

I want to just respond briefly to what my colleague from Texas said. I have never seen any President, Republican or Democrat, reach out so much to the other side. I look at some of my Democrat colleagues over here, who have been down to the White House with me to meet with the President, and I know they have been down there without me too, so he has reached out. He has tried to bring Democrats and Republicans together, and he has put together, with the gentleman from California (Mr. THOMAS) and the Committee on Ways and Means, a very responsible bill here.

First of all, it fits within the budget. The President outlined the budget last week. We are protecting Social Security and Medicare as we never have before. For over 30 years, we raided that trust fund. We are not doing that. We are protecting Social Security and Medicare. We are paying down the debt in a way we never have before. We are paying down more debt in his budget than we ever have in the history of this country. In fact, we are going to pay down all the available debt. So I do not know what people are talking about in terms of the debt.

After all that, we are going to have some spending increases in places like education and the military, and still there is room for tax relief for the hard-working American people who created every dime of this big surplus we have.

People are overtaxed. We just heard earlier people spend more on taxes now than they do on food, shelter, and clothing combined. We have the highest tax burden since World War II. Taxpayers in Ohio need some relief. I know they do. And they ought to get it.

Finally, I want to say that we need to do this for the economy, even if it did not fit in the budget so neatly, even if taxpayers were not so overburdened with taxation. Do any of us want to see us go into a recession? Every economist will tell us that tax relief is going to help the economy. It did when President John Kennedy passed tax relief, which incidentally was much larger than this tax relief. This is about half the size of John Kennedy's tax relief. When Ronald Reagan did it again in 1981, and incidentally it was a lot more than this tax relief, it was about three times higher than this tax relief, it helped the economy.

We can disagree on the impact precisely, whether it will help a lot or a little; but we know it will help the economy. In Ohio, people are talking about layoffs. Around the country all the economic data is very troubling. We have to do this tax cut to give this economy a boost, to be sure we can keep the good jobs we have, and expand the economy and continue the prosperity this country has enjoyed over the last decade.

Vote for this bill. It is good tax policy, it fits in the budget, people need it, and it is necessary for the economy.

Mr. RANGEL. Mr. Speaker, I yield myself such time as I may need to just advise my colleagues that the House rules say that the House has to have a budget, not the White House. That is the House of Representatives. And that we do not have.

Mr. Speaker, I yield 1½ minutes to the gentlewoman from Florida (Mrs. THURMAN), a member of the Committee on Ways and Means.

Mrs. THURMAN. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, America's families decide what they can spend based on their yearly income and not 10 years out. Should we in the people's House act differently? No. Congress has no idea how it will meet our national priorities, Medicare, prescription drugs, education, tax cuts and more, because we do not have our national family's budget planned.

But the House is willing to jeopardize all of these priorities if the projections are wrong. If a family's projections are wrong, they must dig into their savings or take out loans. If our projections are wrong, then Congress will have to take out loans or use our savings, Social Security and Medicare.

Quite frankly, I do not know about my colleagues, but I do not want to go back to the time when interest rates were 18 percent, when working families could not afford to buy homes, when unemployment was high and underemployment kept workers at low wages. I think it is time for prudence to guide us.

I think we should first look at the country and give us a real honest and responsible budget with tax cuts, just like we did in 1997. I do not think that is too much to ask for.

Mr. THOMAS. Mr. Speaker, I yield 2 minutes to the gentleman from Michigan (Mr. CAMP), a member of the committee.

Mr. CAMP. Mr. Speaker, I thank the chairman for yielding me this time.

Over the next 10 years, the Federal Government will collect more money than it needs to operate. Even after setting aside money to protect Social Security and Medicare, the government will collect much more than it needs. If that money is left in Washington, there is no doubt that it will be spent, when in all fairness it should be returned to the American people.

Today, the average American family pays more in taxes than on food, clothing, and shelter combined. Every dollar that passes through the taxpayers' hands on its way to Washington is a dollar that could be saved for a child's education, used for necessary living expenses or household repairs. In my district in Michigan, I know these dollars could be used to help with the high cost of gasoline and heating fuel.

High taxes are not only a tax on the ability to create wealth for working people, they are a tax on opportunity itself; the opportunity for Americans to determine their own destiny, make their own choices, and keep more of what they have worked so hard to earn. These values are the essence of democracy itself. It is the people's money. They worked hard for it, and they deserve it. They deserve a refund.

Today, we have a great opportunity. It has been 20 years, since Ronald Reagan was a new President, to see any significant Federal tax relief. Let us vote to give the American people a refund.

Mr. RANGEL. Mr. Speaker, I yield 1½ minutes to the gentleman from Texas (Mr. DOGGETT), a member of the Committee on Ways and Means.

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Mr. DOGGETT. Mr. Speaker, the notion that this tax bill will correct the economic slowdown is truly a fantasy. This proposal was concocted during last year's Republican campaign primaries. It was not developed during hard times, and it is certainly not designed for hard times. The only reason that its supporters seem preoccupied with the thought of recession is that they cannot sell this distorted tax cut any other way.

This year, the daily benefit to the typical American family of this tax bill will be less than the cost of one good cup of coffee. That is pretty wimpy help when you get right down to it. And if your family does not want to share a cup of coffee, you can use your big tax savings to buy a can of beans every day. Or, down in Texas, black-eyed peas, with a few pennies to spare. And not just any beans, you can get Bush's Best black-eyed peas or beans. In fact, if they have got coupons at the grocery store, you can probably get a couple of cans of beans so everybody will have extra helpings every day as a result of this Bush's Beans tax cut.

For the average American family, it is not $1,600. This year this is the Bush's Best Beans tax cut. And that is all that it amounts to. But while you get so very little immediate tax relief, over time, over 10 years, the wealthiest Americans get a huge bonanza of benefits out of this bill. The disaster that will occur to Social Security and our children's educational opportunities is a very, very serious one, if we approve this bill without ensuring that it can fit within an overall balanced budget. I am for all the tax relief that fiscal sanity will permit, but even the Republican economists have made it clear that this Bush tax cut is not about the economy, it is about overpromising to the privileged at campaign time.

Mr. THOMAS. Mr. Speaker, I yield myself such time as I may consume.

I anxiously await creating a larger tax cut so the gentleman can add to the canned beans something he is quite familiar with, canned ham.

Mr. Speaker, it is my pleasure to yield 2 minutes to the gentleman from Illinois (Mr. CRANE), the senior member of the Committee on Ways and Means.

(Mr. CRANE asked and was given permission to revise and extend his remarks.)

Mr. CRANE. Mr. Speaker, I rise in strong support of the Economic Growth and Tax Relief Act of 2001. When Governor Bush released his tax relief proposal during the campaign with tax reductions as its centerpiece, I knew we had the right program at the right time. I congratulate the gentleman from California (Mr. THOMAS) for moving the rate reductions so quickly through the Committee on Ways and Means. I urge my colleagues to support it, and I urge the Senate to pass the same measure at the earliest possible occasion.

I know many of our friends on the other side of the aisle are concerned that we have moved this bill so quickly. Some, like my friend the gentleman from New York (Mr. RANGEL), have said we should wait until we have a budget resolution. I respectfully disagree. There is no question the surplus projections will permit the size of tax cut before us without endangering Social Security or Medicare and without endangering our other priorities, including debt reduction. The only information a budget resolution would provide us is how much additional tax relief the Congress can provide this year.

I also believe it is imperative that we pass this bill without delay. We must act quickly to build credibility with the American people that this Congress will make good on the President's promise to cut taxes. We have experienced a high degree of gridlock in recent years. The American people are waiting to see if President Bush can work with the Congress to enact important legislation. Nowhere is this more true than with respect to tax relief. We have talked about major tax relief for many years, with little to show for it because of President Clinton's opposition. The American people, naturally enough, are skeptical that we will really give them the tax relief that President Bush has promised.

With our economy struggling, timely tax relief is exactly the right complement to the interest rate cuts made by the Federal Reserve in recent weeks. But the real effect of these cuts is not that it puts cash in people's pockets today but that it promises to reduce their taxes tomorrow. It is the expectation of lower tax rates that alters decisions to invest and work today that increases economic activity today and tomorrow. Incentive effects like these, which are the real engine of a tax policy that strengthens the economy, are forward looking. But for these incentive effects to take hold, taxpayers must have some confidence that the tax cuts will be enacted. And that is why we must act so quickly, to build confidence in the minds of the taxpayers that we will enact the promised tax relief, so that they can build these lower tax rates into their plans, so that the economy will strengthen more rapidly.

I urge my colleagues to support the bill.

Mr. RANGEL. Mr. Speaker, I yield 1 minute to the gentlewoman from California (Ms. PELOSI), a member of the Committee on Appropriations.

Ms. PELOSI. I thank the ranking member for yielding me this time.

Mr. Speaker, today the Republican majority rises to a new level of recklessness and irresponsibility by proposing a tax cut which benefits the wealthiest Americans, giving 44 percent of this tax cut to the highest 1 percent of our country. And who pays for this gift to the richest Americans? America's working families. We all know that the biggest and best tax cut is low interest rates. Low interest rates on our home payments, car payments, mortgage payments, credit card payments. If we instead would pay down the debt instead of giving this gift to America's wealthiest, we would be able to enable America's working families to have the best tax cut of all.

We do not have the surplus Members are talking about here. First of all, we are talking about a tax cut based on a budget we have not seen, on a surplus we cannot guarantee, at a time when we have unmet needs in our country. We have unmet needs in education, in prescription drug benefits. Why should our children and our seniors pay for this tax cut to the wealthiest? I urge our colleagues to vote no.

Mr. THOMAS. Mr. Speaker, it is with great pleasure that I yield 2 minutes to the gentleman from Pennsylvania (Mr. ENGLISH), a member of the Committee on Ways and Means.

Mr. ENGLISH. Mr. Speaker, I think the time has come for candor. We need to recognize that America is experiencing a slowdown. After we have seen the smoke clear from last year's election campaign, it became increasingly obvious that the economy was not doing as well as some had claimed. And in the manufacturing sector that makes up so much of the economy of my district, we are clearly experiencing a recession. We have an opportunity to move forward right now and change those dynamics. But the only way we can do it is by recognizing that in this background, we are imposing the heaviest tax burden in peacetime ever on the American economy, and we need to recognize that if we are going into a recession, the last thing on earth we want to do is run a huge surplus.

Our tax bill would address that issue. Our tax bill would stimulate the economy, lower the tax burden and encourage growth, savings and investment.

A recent study by the Heritage Foundation of H.R. 3 suggests that this bill would clearly increase economic growth, increase investment, increase savings, increase family income and over 5 years create 500,000 new jobs. Now, our opponents are making phony procedural arguments against the bill and using strange numbers. But the fact is they want to spend the money. We want to give it back to the American public so it can stimulate the economy and get our economy back on a growth track. There is nothing more urgent facing this Congress than the right kind of economic policy. We should act swiftly to pass this tax cut and send the resources back to the economy.

Mr. RANGEL. Mr. Speaker, I yield 1 minute to the gentleman from Iowa (Mr. BOSWELL).

(Mr. BOSWELL asked and was given permission to revise and extend his remarks.)

Mr. BOSWELL. Mr. Speaker, I will recall again, if I could, for all of us that the President came up to Nemacolin here a few weeks ago and he shared with us and we appreciated it very, very much. We asked him there, can we see a budget? And he said yes. And that has come forth. None of us expect that to be a perfect document. We have the gentleman from Iowa (Mr. NUSSLE) and the gentleman from South Carolina (Mr. SPRATT) to work on that. We would like to see what they will produce and come forward with.

So I am wondering, is this a criticism, what we are doing without a budget, is this a criticism of the President's ability to lead or is this a criticism of the folks to follow? We have got our work to do. We have not done it. Common sense would tell us we would not expect to do this with a business or a family. We have heard those comments made several times. We would not go ahead and do something to our family and plan a vacation and not have kids to have their shoes for school or whatever. We would not do that. Let us not gamble on our future. We do not have to. We have got a better situation. We do not have to do that.

A little bit ago, someone referred to 1981. We do not have the luxuries of 1981. We do not have a $1 trillion debt. We have got $5.7 trillion. We ought to deal with it.

Mr. THOMAS. Mr. Speaker, it is my pleasure to yield 2 minutes to the gentleman from Wisconsin (Mr. RYAN), one of the newer members of the Committee on Ways and Means.

Mr. RYAN of Wisconsin. Mr. Speaker, I thank the chairman for yielding me this time. I have been listening to this debate with a lot of wonder. I am a newer member to the committee and a newer Member to Congress. It is amazing to me the excuses we are hearing to further separate people from their own money. We hear that this tax cut is just too big, it is irresponsible, we cannot handle it. I refer Members to this chart which shows that this is six cents on the dollar, six cents on the dollar that every American taxpayer is sending to Washington over the next 10 years. $1.6 trillion out of $28 trillion.

More importantly, what is this all about? People are overpaying their taxes. Everybody who pays income taxes are overpaying their income taxes. That is why we are trying to pass this now. I hear this bizarre excuse that the process is wrong, that we should do this bill in October, not in March. I encourage Members of Congress to take a look at this chart. This was the cover of Newsweek not too long ago: ‘‘Laid Off, How Safe Is Your Job?’’ In the First District of Wisconsin, we are losing jobs by the thousands. We do not have time to wait to give people money back in their paychecks. Energy costs, job rates, they are chewing up the paycheck of working Americans. We are trying the highest tax burden we have in the peacetime history of this Nation.

It is time, it is more than time, that as people overpay their taxes, especially after we are paying off the debt and protecting Social Security and Medicare, as people continue to overpay their taxes, we give them some of their money back. That is what we are doing today. All of these excuses are other attempts to further separate people from their own money as they overpay their taxes, so, guess what, they can spend that money here in Washington.

Mr. RANGEL. Mr. Speaker, I yield 1 minute to the gentlewoman from Nevada (Ms. BERKLEY).

Ms. BERKLEY. Mr. Speaker, I came here today to vote for an across-the-board tax cut, but the tax cut that I support must be fair, it must be responsible, and it must ensure that this country pays down its national debt. Sadly, this tax bill does none of these things.

When my constituents in southern Nevada sit down to figure out how much of their paychecks they can afford to spend, they know better than to spend money they do not have, or money that they need to pay their bills, or money that they might earn in the future. Unfortunately, this Congress has not learned these simple lessons. We are getting ready to pass a very large tax cut. How will this tax cut affect our education system, our seniors, our prescription medication plan, our veterans, our military? We do not know, because we have not got a budget yet.

I want to pass a large tax cut but to do so without a budget, without protecting Social Security and Medicare, without paying off our national debt is irresponsible and inappropriate. We should be here voting on a bipartisan bill that fits our budget and helps American families. We are not. We are attempting to ram something through without hearings, without input, without reasoning.

It is very disappointing, Mr. Speaker. I cannot condone this process, and I am not going to be a party to it.

Mr. RANGEL. Mr. Speaker, I yield 1 minute to the gentleman from North Carolina (Mr. PRICE).

Mr. PRICE of North Carolina. Mr. Speaker, like most Members of this body, I support tax relief. But today we are debating this bill in clear violation of the budget law which states, quote, the concurrent resolution on the budget must be adopted before budget-related legislation is considered.

This body is in violation of sound budget procedure, and we are in violation of common sense. Who among us would dream of building a house without a blueprint? That is what we are being asked to do: to shout through a tax cut costing $1 trillion on the way to $2 trillion, benefiting mainly the richest 5 percent of taxpayers, before we have a budget resolution or a detailed budget proposal from the administration.

With this tax bill, we would bet the store on shaky surplus projections, more than two-thirds of which are more than 5 years away. If you need any lessons on the unpredictability of projections and forecasts, just ask the school children in my district about the snow day they were promised last Monday!

This bill would compromise our ability to pay off the national debt. And it would make it impossible to meet the obligations both parties have made without a high and unacceptable risk of deficit spending.

This is a case of putting the cart before the horse if there ever was one. Vote no.

Mr. RANGEL. Mr. Speaker, I yield 1 minute to the gentleman from Maine (Mr. ALLEN).

Mr. ALLEN. Mr. Speaker, Abraham Lincoln called on the better angels of our nature. President Franklin Roosevelt asked us to set fear aside. President Kennedy asked for sacrifices to enhance the common good. But the rallying cry of the Bush administration is, ‘‘It's not the government's money, it's your money.’’ That is a shriveled-up vision of what the American people care about. We are better than that. The American people want and deserve lower taxes, but not a cut so large that seniors still cannot afford their drugs, our kids are stuck in inadequate schools, and baby boomers lose benefits under Social Security and Medicare. This Republican tax cut is a clarion call for more spending on luxury goods by the wealthiest Americans.

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To those seniors who cannot afford their prescription drugs, this bill says forget it, they are on their own. To those students, teachers and parents who know that our schools need full funding of special education, this bill says, forget it, they are not a high priority.

To the baby-boom generation not far from Medicare and Social Security, this bill says forget any help from general revenues any time soon.

Support the Democratic alternative.

Mr. THOMAS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I am just a little bit confused now. I thought all we were giving was a can of beans and now we are depriving virtually every American of a significant portion of their share of the American pie. I just really wish my colleagues on the other side would get together on their side in terms of which argument it is going to be.

Mr. RANGEL. Mr. Speaker, will the gentleman yield? It is as clear as it could be.

Mr. THOMAS. If the gentleman wants to yield on his time I would be more than willing to do that.

Mr. RANGEL. No, because I think it is very clear what we are doing. The gentleman is making it cloudy.

Mr. THOMAS. Mr. Speaker, I yield 2 minutes to the gentleman from Kentucky (Mr. LEWIS), a valued member of the committee.

Mr. LEWIS of Kentucky. Mr. Speaker, in the true spirit of bipartisanship, I want to be as partisan as my colleagues across the aisle. There they go again. They say they want tax relief, but actions speak louder than words. Their history: Big spending, big taxes, big government, and they are fighting with all their heart, mind, soul and body to stop tax relief. That is the bottom line.

The sad part about this is that the President offered a hand across the aisle in a true bipartisan spirit for their help to give the American people a refund on their money. What did he get in return? A partisan slap in the face.

I think that beyond a shadow of a doubt what has been displayed here today with the Democratic dilatory tactics, the American people can see what the Democrats are all about. They have never seen a tax cut that they like. They have never seen a tax increase that they have not liked. They have never seen a big government spending bill that they would not vote for.

Mr. Speaker, let us get the money, the tax money, out of Washington and in the pockets of the American people.

Families need help, not Washington bureaucrats. If the Democrats refuse to help and Republicans have to do it alone, so be it.

Mr. RANGEL. Mr. Speaker, I yield 1 minute to the gentleman from Arkansas (Mr. BERRY).

Mr. BERRY. Mr. Speaker, I want to thank the distinguished ranking member, the gentleman from New York (Mr. RANGEL), for yielding me this time.

Mr. Speaker, I have to say if we get any more bipartisan than we are here today, it is going to be an absolute miracle. We will have to remove the center aisle.

We favor tax cuts, but we do not favor a bigger debt. We are not in favor of running up the debt another $5.7 trillion. We are not in favor of our children having to pay off this debt. We are not in favor of not having a budget, not having a spending plan that will protect our children and protect Social Security and Medicare like both parties have over and over promised to do; provide an education for our children; do a better job for our national defense; take care of our farmers and our agricultural industry in this country and provide better infrastructure.

We all know we have to do that to be a successful Nation, and at the same time we can have these tax cuts but we need to have a budget first. This is absolutely ridiculous.

Mr. RANGEL. Mr. Speaker, I yield 1 minute to the gentleman from Massachusetts (Mr. MEEHAN).

Mr. MEEHAN. Mr. Speaker, I thank the gentleman from New York (Mr. RANGEL) for yielding me this time.

Mr. Speaker, we have an historic opportunity to pay down the debt, cut taxes substantially for middle-class and working families, provide a Medicare prescription drug benefit for seniors and invest in the children of our country in education. Instead, we are snatching deficits from the jaws of surpluses.

Families watching this debate across America have to be scratching their heads. When they consider making major financial commitments, they first sit down at their kitchen tables with a pad and a calculator and see if they can afford it. When they cannot afford to repay their debts, they pay down those debts before using the money to buy new goodies. But some in this body, I guess, know better than the American people, because today we are passing a trillion dollar tax cut in a budget vacuum, and we are making excuses about why we cannot pay down the debt. Only in this Congress do we strap on a blindfold before making major fiscal policy decisions.

We can do better than this, and the American people know it. I urge a no vote on this bill.

Mr. RANGEL. Mr. Speaker, I yield 1½ minutes to the gentleman from Texas (Mr. REYES).

Mr. REYES. Mr. Speaker, I thank the gentleman from New York (Mr. RANGEL) for yielding me this time.

Mr. Speaker, it has been said that those that refuse to learn from history are doomed to repeat their mistakes. I want to say that I support a fair, reasonable and affordable tax cut; but I cannot support this proposal because we have had no hearings; there is no budget; and there have been no opportunities for us to express our shortcomings with this proposal.

I want to also illustrate that if we are using the Texas model, and this is where history comes in, and President Bush has said over and over again he is using the Texas model, I want to point out that a Democrat and a Republican State Senator have said the following: Senator Chris Harris, Republican, said, we made tax cuts because we thought we had this huge surplus. I might have voted a little differently on all of these tax cuts had I realized that we were only funding 23 months of these programs.

A Democratic Senator said, we should have taken a harder look at the tax cuts. We did not look down the road and so now we find ourselves, as a result of these budget priorities, in a difficult hole.

This is what has happened to Texas because of two enormous tax cuts that then-Governor Bush proposed.

When he was asked about this on the campaign trail, then-Governor Bush said, I hope I am not here to deal with it.

Well, guess what? Texas is dealing with this hole today, a deficit that is as red as my tie. It is important that we not repeat the mistakes of the past.

I think it is more important that we realize that we must have a sensible, affordable tax cut proposal and not my way or the highway proposal.

I hope we do not repeat history again.

Mr. THOMAS. Mr. Speaker, I yield 2 minutes to the gentleman from Georgia (Mr. COLLINS), a member of the Committee on Ways and Means.

Mr. COLLINS. Mr. Speaker, for 8 long years I have waited to tell the people of Georgia that the President of the United States has sent a bill to Congress which will reduce the tax burden on every taxpayer in America. That day has come.

Mr. Speaker, the previous administration was not only taxing Americans' wallets but they taxed their patience as well.

We suffered through 8 years of either tax hikes or so-called targeted tax cuts which were awarded to selected Americans who met certain criteria, who agreed to jump through certain hoops.

This Washington-knows-best type of tax policy is ending. Today we are considering across-the-board tax relief to all Americans, to all taxpayers, of every level so that they can keep more of their earnings and spend those earnings as they wish. They can save the money or they can spend it. It is their money so it should be their decision and not Washington's, Mr. Speaker.

The same old, usual complaints from those who are pained to see this money escape from Washington unspent we are hearing over and over again today. They say tax relief is too expensive, but the President's tax relief amounts to only 6 percent of all Federal revenues over the next 10 years.

They say it is unfair, but what is fairer than returning the overpayment of taxation back to the people who paid the taxes in in the first place? What is fairer than including the tax relief as part of a plan which strengthens defense, improves education and sets aside payroll tax dollars for Medicare and Social Security? What is fairer to the future generations than passing this relief as part of a plan which will allow us to responsibly pay down the publicly held national debt?

Eight years and coming, Mr. Speaker. Today is the day; now is the time to act. I urge a yes vote on this tax reduction bill.

Mr. RANGEL. Mr. Speaker, I yield 1 minute to the gentleman from Michigan (Mr. LEVIN).

(Mr. LEVIN asked and was given permission to revise and extend his remarks.)

Mr. LEVIN. Mr. Speaker, the President's tax plan is a gamble. It is a risky gamble. It is true, it is the public's money. The Bush plan is gambling with the public's money. It is gambling because there is no budget, and there is no clear indication what it would mean for education, for prescription drugs and others. It is a gamble because it would use 75 percent of the projected surplus, 75 percent, and leave little else for other things. That is only a projected surplus.

We have learned in the past how risky those projections are.

It is a gamble because 1 percent would receive over 40 percent, the highest 1 percent in income would receive over 40 percent of this tax cut, and they have their own money all ready for a gamble.

Some gambled in 1981, and it resulted in the highest deficits in the history of the world. Our alternative is fiscally responsible. Let us pass it.

Mr. RANGEL. Mr. Speaker, I yield 1 minute to the gentleman from Louisiana (Mr. JEFFERSON), a member of the Committee on Ways and Means.

Mr. JEFFERSON. Mr. Speaker, I just saw a member of our Chamber of Commerce from back home who urged me to vote for this bill, and I told him it was incredulous to me how a man could fiscally ask that sort of question of me, because I reported to him that if he had had a great year at his business and could look down the road and see 4 or 5 other great years but had a big debt at the bank, what would he do about it? Would he send a dividend down to his shareholders or would he pay off his debt in advance?

He had to admit he would pay his debt off because to do anything else would be irresponsible.

This debate is uninformed by the claim that this is the people's money. Of course it is, as are all the taxes which are paid by the people. Does that mean we send all the taxes back to the people because it is their money? Of course, it does not. It means that the folks have entrusted us to make some fiscally responsible decisions about the expenditure of that money for their government. The money is here to support the government, support things that people cannot do by themselves that we do collectively. That is the whole idea behind it. We are making fiscally imprudent choices, unwise choices for the people now, and we are violating the trust of the public in sending back their money to them when we need to have our money spent on priorities that will meet the needs of the people back home.

Mr. RANGEL. Mr. Speaker, I yield such time as he may consume to the gentleman from Rhode Island (Mr. KENNEDY).

(Mr. KENNEDY of Rhode Island asked and was given permission to revise and extend his remarks.)

Mr. KENNEDY of Rhode Island. Mr. Speaker, I rise in strong opposition to this Reaganesque, trickle-down tax cut that will not spur the economy and will further deficits.

We are debating here today more than what the IRS's next batch of forms will look like.

President Bush is proposing a major shift in our national priorities. The real debate here is over the sort of society we want to have, about the degree of responsibility we as a community are prepared to accept—for each other, and for the future. The question of taxes is merely a vehicle for this larger question.

I believe that the President's tax plan is a betrayal of the rhetoric he has used to cloak himself as a moderate. He claims that he is determined to leave no child behind, but he will leave millions behind if his plan becomes law. He talks about instilling a sense of responsibility, but proposes to saddle future generations with tremendous deficit. He touts help for working Americans while dramatically widening the income gap.

This bill, and the tax plan of which it is a part, is bad for America. I understand the House leadership's desire to pass it as quickly as possible, before the American people take a close look.

Because if they examine it, they will see that it rests on pie-in-the-sky economic forecasts. No responsible family would commit itself to spending patterns based on guesses about its income in ten years, and neither should the government.

They will realize that we have been here before, we have experimented with enormous tax cuts with disastrous consequences. The country cannot afford a return to the discredited supply-side, trickle-down economics of the 1980s.

They will notice, as the Republicans wish they wouldn't, that the tax cuts are appallingly tilted to the wealthy. Our nation has rarely been as polarized between rich and poor as it is today, yet the Bush plan would direct 43 percent of the tax cuts to people earning more than $300,000 per year.

And they will, I believe, agree that we have higher priorities as a nation than unfair, economically suspect tax cuts that will return the country to deficits and prevent investment in our people and our future.

To put the choices that we face in context, I'd like to ask you to imagine you had a brother. Imagine your brother graduated from college and got a good job with a decent salary. But your brother has expensive taste. In the years that followed he lived high on the hog. HIs earnings weren't enough and he borrowed to keep that lifestyle going.

At 35, your brother was pretty much maxed out on the credit cards, the mortgages, and the car loans. He was swamped with debt and spending nearly twenty percent of his income just on the interest.

So your brother, bless his soul, changed his ways. He tightened his belt, reined in his extravagant taste. Over the next eight years, your brother was paying down his enormous credit card balances, slowly. Although he's a long way from paying off his debt, he's finally started bringing in more money than he's spending, by a little.

Of course, his new approach was not without cost. He has been unable to put money away for his kids' education, or save for retirement, or pay for needed home repairs. But at least he's now in a position to do so in the future.

And now imagine that your long, lost Aunt Millie has died and left him a big pile of dotcom stock options that vest in five to ten years. He calls you up, really excited. ''I'm back in the money!'' he says, imagining himself at the wheel of a Lexus, already plotting his new spending spree.

How are you going to respond to your brother? He's 43 now. He's spent eight years digging himself out of the mountain of debt created during his youthful indiscretions. He has been unable to provide adequately for his children or invest for the future. But in those stock options, he sees a big glittering pot of gold—never mind that you never know what the stock market might do.

So what will you tell him?

I've belabored this little story enough, but it does illustrate the juncture at which our country stands. The choices we make tell a lot about our values. This country is your fictional brother, poised to head off to Vail. What will we say?

The language of this debate is tax policy, but the substance of it runs much deeper. This debate is about priorities. It is about the sort of community we choose to make for ourselves. It is about our young children and our elderly parents, about the working poor and the uninsured, about creating an America we can be proud of.

We live in a national community that allows forty-three percent of its children to grow up poor enough to qualify for free or reduced lunches. Forty million of our citizens go without health insurance. Our public education system frequently consigns children to classes of thirty or more in crumbling buildings, without textbooks, where everyone including the students knows they will not learn what they need to know to escape poverty.

How can we possibly look at our society and conclude that addressing poverty and health insurance and education are less important than huge tax cuts? If we as a nation do reach that decision, what does it say about our American community? What does it say about us?

This choice is real. President Bush and the majority may try to spin it otherwise, but there is not room for both massive tax cuts and plans to address needs like health care, education, and Social Security in any meaningful way.

Underlying this new tax-cutting mania is the famous surplus. Let's look at that surplus. The Congressional Budget Office recently estimated the ten year surplus at five-point-six trillion dollars.

But nobody, including the CBO, knows what will happen five or ten years in the future. If you want proof, just go back to some old CBO projections. Only five years ago, the CBO was predicting deficits as far as the eye could see. The estimate for fiscal 2000 alone was off by almost half a trillion dollars! And that was only four years later. The prediction made five years ago for a single year, 2006, differs by nearly a trillion dollars from the estimate made this year.

As you can see, these numbers are not exactly rock solid. The estimated surplus is not money in the bank. In fact, more than 70% of the surplus that the President proposes to spend is projected in years six through ten. But if the CBO's five year projection is off by a half-trillion dollars again, there is no surplus.

So point one is that we are playing with dotcom stock options here. We are as reckless as your zany brother if we spend trillions of dollars now on the assumption that the ephemeral surplus will materialize as predicted.

It's also important to realize that more than half of the surplus predicted by the CBO belongs to the Social Security system and to Medicare. We shouldn't spend that money on tax cuts.

And we need to be prepared for future growth. The CBO estimates and the Bush tax plan assume that spending will increase only at the rate of inflation. This assumption is unrealistic because the population keeps growing. Every year there are more cars on the road, more travelers in airports, more students in college, more children eligible for Head Start, more kids in our public schools. We need to increase spending just to keep up with the increasing demand on government services.

The Bush tax plan ignores these considerations. Not only does it rely on untrustworthy numbers, it threatens to dip into Social Security and Medicare and it ignores the need for increased spending.

And nobody in Washington is talking about the ripple effect that this will have at the state level. As federal taxes are cut, state and local taxes, which are often at least partially tied to the federal tax rate, are going to have to be increased to make up the difference. In addition, because the federal government will have to cut back even further on services, pressure will mount on the states to pick up the slack. In a small state like Rhode Island, that prospect is particularly ominous.

So this bill and the Bush tax plan, first, rely on numbers nobody in their right mind would count on, and, second, spend even more than those numbers estimate to be available. If this sounds eerily familiar, that's because it is.

Like your hypothetical brother, this country has spent the better part of two decades trying to put its financial house back in order after the massive Reagan tax cuts of 1981. We have watched more and more kids wind up in poverty, counted the steady increase in the number of uninsured Americans, seen schools deteriorate, pleaded poverty as students struggled to keep up with escalating college costs, buried our heads in the sand about Social Security and Medicare's coming demographic crisis—all in order to slowly, painfully, clean up the mess caused by the last giant tax cuts.

But like your spendthrift brother, George W. Bush and the Republicans in Congress can't help themselves. The instant gratification of tax cuts overwhelms common sense borne of twenty years' experience.

We are witnessing the restoration of Reaganomics. The Republicans were wrong in the early '80s when Ronald Reagan promised that the huge tax cuts would balance the budget by 1984. Instead, we had the biggest deficits in history, the accumulation of a 4 trillion dollar debt, and higher interest rates. They were wrong again in 1993 when they insisted that raising the rates on the wealthiest taxpayers to pay down the deficit would cause economic disaster. Bill Clinton and the Democrats passed that budget without a single Republican vote and it began the biggest economic boom our country has ever seen.

For most people who lived through the last twenty years, supply-side economics has been thoroughly discredited. After the Reagan tax cut passed the House in 1981, short term interest rates shot up two full points in ninety days. The Dow fell 11 percent in the two months after the tax cuts became law. Within a year, four million Americans were out of work and the unemployment rate was in double digits.

Even David Stockman, who orchestrated the Reagan tax cuts, admitted in his 1987 book that the ''fiscal wreckage'' of that time was the result of the ''basic assumptions and fiscal architecture of the Reagan Revolution itself.''

It unfortunately appears, however, that George W. Bush missed the lesson about the folly of supply-side economics. Not only is he going back to the supply-side policies that brought on massive deficits, he is advertising this tax cut plan as tonic for the economy. But this is just old wine in a new bottle. Long before the warning flags went up about the slowdown of the economy, he was saying gargantuan tax cuts were needed.

You can tell his plan is not intended to be an economic stimulus by its structure. If you wanted to help the economy now, you would put more money in the pockets of working class people, the people who are having trouble meeting their bills, as soon as possible. Not only are the Bush tax cuts mostly backloaded, due to take effect six or more years down the road, but they are heavily tilted towards the wealthy. They are not economic medicine, they are economic poison.

It is a question of priorities. Are we going to rely on numbers that nobody thinks are accurate and then squander the entire surplus that might or might not materialize? Are we going to gamble away your future in the hopes that the budgetary roulette wheel comes up black? Are we going to tell the children on Head Start wait lists, the seniors unable to afford prescription drugs, the families made homeless by the lack of affordable housing that they have to wait another twenty years? What sort of community do we want?

And if we do cut taxes, we must ask for whom? Under the Bush tax plan, 43 percent of the tax savings would go to the wealthiest one percent of Americans. That means people earning more than $319,000 are receiving a huge windfall. What about working folks, the forty percent of our citizens who earn less than $25,000? They get a measly 4.3 percent of the President's largesse.

The President touts his big income tax rate cuts, but four out of five American workers pay more in payroll taxes than they do in income tax. In fact, most workers earning under $35,000 per year don't pay any income tax at all. Therefore, a typical family who could really benefit from a tax cut is left out. Even the Wall Street Journal, hardly the mouthpiece of the left, has written that the affluent stand the most to gain from the Bush tax cuts.

Take a home health aide in Woonsocket, in my district, struggling to make ends meet on $13,600 per year or less. The President's helping hand to her is a tax cut totaling $42—I hope she doesn't spend it all in one place. I know it's not a lot, but that's all that's left after giving Bill Gates, Ross Perot, and the rest of the richest one percent their average $46,000 tax cut.

Don't be misled by the $1,600 average tax cut that President Bush advertises. Remember, that includes the hundreds of thousands of dollars that the Bill Gateses of the world will save. You're not likely to see $1,600. Eighty-eight percent of taxpayers—or virtually every family making less than six figures—will receive less than that. In fact, a quarter of all taxpayers will see zero benefit from the Bush tax plan according to the Washington Post.

Another pillar of the Bush tax plan is the elimination of the estate tax, or inheritance tax. This tax is currently paid only by the wealthiest two percent of families. If a couple's estate is worth less than $1.3 million, they pay no estate tax. In other words, one of the Republicans' highest priorities is $50 billion per year in tax relief for millionaires.

By ending the estate tax, the President would be allowing the richest Americans to avoid paying any tax ever on over a third of their wealth, on average. Over half of the value of the average estate worth more than $10 million has never been taxed. A working, single mother here in Bristol has to pay tax on every dollar she earns, but the Republicans are proposing to let millionaires and billionaires go tax-free on a substantial portion of their earnings. Plus, eliminating the estate tax is likely to sharply curtail charitable giving, further hurting the poor. Some estimate that donations to charity could drop by 90 percent.

Even provisions that could help working people if done right are skewed towards more affluent taxpayers. The Republican plan to eliminate the marriage penalty in the last Congress was structured in such a way that 89 percent of the benefits would go to those making more than $75,000 per year. The increase in the child tax credit the President proposes is nonrefundable, which means most working class families will not see the benefit of it.

If you were serious about helping working people, why would you not make the child tax credit refundable? A credit against your income taxes isn't helpful if, like most working families earning less than $35,000, you don't pay income tax.

Again, it's a question of choices. As MIT Economics Professor and New York Times columnist Paul Krugman has written recently, it is not class warfare to point out that the Bush tax cut disproportionately benefits the very, very affluent. It is, instead, a debate over priorities.

George W. Bush ran like Bill Clinton but is already governing like Ronald Reagan. He talks a good game, but his actions belie his words. He trotted out working folks for photo ops, but if those appearances had anything to do with his tax plan, he should have been standing there with some of his wealthy friends who stand to gain twenty to sixty times the families brought in as props.

The Republicans justify this reverse Robin Hood approach by saying that the affluent get the biggest share because they pay the most in taxes. Well I say that they also gained the most from this economic expansion. The wealthy have already received the upside of the economic growth. It's time that the working men and women who made this surplus possible saw some of the benefit.

During the booming '90s, from 1988–89 to 1997–98, the poverty rate in Rhode Island increased by 3.9 percent. A far greater percentage of Rhode Island children qualify for free and reduced school lunches now than at the beginning of the '90s.

In other words, the benefits of the expansion have gone predominantly to the wealthy.

In fact, it wasn't until halfway through the expansion that regular working folks saw their incomes rise at all. And even today, the bottom twenty percent is still earning nearly nine percent less in real dollars than they did in 1979.

And now the President is proposing to give 43 percent of a multi-trillion dollar tax cut to people whose incomes average $900,000 per year. The income gap is already the widest it's been in decades. The wealth gap is even wider. I want to ask George Bush and the Republicans in Congress, how wide must that gap be before tax cuts are shared fairly?

This discussion is not just about the arcane minutiae of the federal budget. This discussion is about people's lives. It is about asking ourselves what matters most. Are we the kind of people who will cause our children to go without, who will blithely blindfold ourselves to the needs of the future, to gratify our short-term wants?

Before we pass any tax cuts, we first must take a long, national look in the mirror.

I look at our society and I am not satisfied. I see a failing education system, skyrocketing rents, uninsured children, and critical shortages of quality childcare. I see a retirement system that we know for a fact will soon require large infusions of cash to maintain the status quo. I see millions and millions of our fellow citizens working 160 hours more per year for less money than they earned a quarter of a century ago.

I see an America with many needs more pressing than massive tax cuts for the wealthy.

Medicare needs a prescription drug benefit. Students need help affording college. Children need day care and Head Start programs. Our schools need teachers and textbooks. Our workers need health insurance. Social Security needs reform. Families need affordable housing.

A community, like a garden, requires tending. We are finally in a position to give our garden some of the water and sunshine so long denied. We have labored for years to put our fiscal house in order, so that we would be able to do things like responsibly reform Social Security before it's too late or help communities build new schools. We are in a position to invest for the future, but like a happy-go-lucky big spender, the very prospect of money is burning a hole in some politicians' pockets.

Twenty years ago we closed our eyes to hopelessly optimistic economic predictions, and allowed an affable President to gamble our future on a dubious economic theory that promised us the moon. He told us we could afford to eat dessert before dinner, we could get big tax cuts and a balanced budget. We made some decisions about priorities that led to trillions of dollars in national debt, the biggest deficits in our nation's history, more poverty, and fewer federal investments in people. Are we going to make those decisions again?

Mr. RANGEL. Mr. Speaker, I yield 1 minute to the gentleman from Indiana (Mr. HILL).

Mr. HILL. Mr. Speaker, my wife and I taught our three daughters to eat their dinner before they could have their desert. What this House is doing today is they are trying to have their dessert before they eat their dinner.

Now, the way we eat our dinner here in Congress is we write a budget. We sit down and we decide what our priorities are going to be. We answer some difficult questions, like how do we balance tax cuts against paying down the national debt? How do we balance tax cuts against protecting Social Security and Medicare? How do we balance tax cuts against supporting the men and women in our Armed Forces, our farmers, and our veterans? That is what budgets are for.

Mr. Speaker, we are going to get our dessert this year. We are going to have a tax cut this year, but we should eat our dinner first. We have to figure out how to fit this tax cut into a responsible budget framework. Let us pass the budget first, then cut taxes.

Mr. THOMAS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the problem is that the Federal Government has been eating the American taxpayers' dinner for too long. We would just like to give a little of it back.

Mr. Speaker, I yield 2 minutes to the gentleman from Texas (Mr. BRADY), a new member of the Committee on Ways and Means.

Mr. BRADY of Texas. Mr. Speaker, the American people are a lot smarter than folks in Washington give them credit for. They know that tax cuts do not cause deficit spending; spending causes deficit spending.

They understand that today they are footing the bill for a million dollar, two-hole outhouse, that is a million dollars for an outhouse the Parks Department recently built. They know that they are footing each year $2,000 a fish each year to help some salmon get back to their spawning ground. For $2,000, we could put each fish in a first class seat and fly them from the mouth of the river and back and still save money.

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Common sense says the best way to pay down the debt and to keep these surpluses going is to keep our economy strong, and that is what this tax relief bill is about.

We are facing recession, and we are working hard to stay out of it; but we know if a recession occurs, that 3 million American families will lose their jobs. That is 3 million families that are going to have a lot of hurt.

Now, maybe we cannot save all of those jobs, but we can surely save some of them; and there is a good chance we can save a lot of them, and we ought to do our very best to do that. I know there is a lot of pressure on my Democratic friends to not go along with the President, to not work with him; there is a lot of bitterness from the past election. But those who will be laid off are not Republicans or Democrats, and the small businesses and their employees are not Republicans or Democrats, they are Americans. I would ask them to work with us to try to save this economy.

Mr. RANGEL. Mr. Speaker, I yield such time as he may consume to the gentleman from Texas (Mr. SANDLIN) to close debate.

Mr. SANDLIN. Mr. Speaker, Herbert Hoover said, ''Blessed are the young for they shall inherit the national debt.''

We do not need another Herbert Hoover. Americans deserve tax cuts. We can afford tax cuts. We support tax cuts. But it is irresponsible to consider a tax bill before we have a budget. Not only is that course irresponsible, it is contrary to the law. The Congressional Budget Impoundment Control Act of 1974 says that a budget must be enacted before consideration of a tax bill. Congress makes laws and expects the public to follow the laws. We should do no less in the United States Congress.

Finally, make no mistake about it: across-the-board seems to indicate that everyone will share. That is a serious misnomer. Most people believe that they will share. The truth is under the Republican plan, across-the-board means 44.3 percent of the relief goes to the richest 1 percent of the people, and that is just not fair.

Mr. Speaker, I encourage my friends watching in Texas to look at their friends to the left and look at their friends to the right, behind them and in front of them. They have not seen one person who benefits by this plan. Not one person in Texas. We tried this trickle-down before. Trickle-down dried up at the Red River. Mr. Bush, Senior, knew what to call it. He called it voodoo economics. Here we go again.

Mr. THOMAS. Mr. Speaker, I yield myself the remainder of the time. I tell my friend, he probably ought not to use Herbert Hoover as an example. That President raised taxes and plunged us into the Depression. We are here cutting taxes.

Mr. Speaker, talk is cheap. We hear talk about the weather, we hear excuses about process, we see props like cans of beans. Please, why is it so hard for the folks on the other side to say yes? Yes to returning a little bit of the tax surplus to those who paid it: hardworking Americans. Every taxpayer gets exactly the same tax reduction; no matter what my Democratic colleagues say, it is true. It is in these seven little pages. It is here. Every American this year gets the same reduction.

Just say yes on H.R. 3 and relieve your pain.

Mr. BLUMENAUER. Mr. Speaker, the beginning of this Congress has been dominated by discussions of President Bush's massive tax cut proposal—a proposal which, after accounting for the true costs to government, is likely to cost close to $2.6 trillion rather than $1.6 trillion over the next 10 years.

It is also the most important issue that we'll face over the next six months. Not only will it dominate the news; whether and how much to reduce government revenue will also frame every policy debate in Congress. The decision will determine our ability to honor our health care commitments, protect our environment, educate our children, defend our country, or keep our economy strong.

For many in Washington, cutting taxes has become the popular mantra. Gone is concern for the 1997 Balanced Budget Agreement, which instituted spending caps to help reduce our national deficit. Now, however, Congressional leaders are winking and nodding at those unrealistic restrictions and empty past promises, hoping the American press and public won't notice.

Since coming to Congress in 1996, I have based my fiscal policies and budget decisions on five principles—principles that continue to guide my responses to the current tax cut proposals:

1. Tax reductions need to be fair. Every Oregonian should be positively affected by these tax reductions, not just a selected few. The Bush proposal ignores the largest burden for most Americans: payroll taxes. Hardworking families who need help the most should have their burden reduced as much as those who are the most well off. Approximately 146,000 Oregon families are left out.

2. We must honor our promise to fund Social Security and Medicare. These obligations are not diminishing over time; in fact, they are growing larger each year, as the baby boom generation retires and requires increased medical assistance.

3. We need to pay down our $6 trillion national debt. This single act is the most effective way to lower government spending—and reduce the long-term interest costs for American families and business.

4. We must avoid future funding shortfalls. The robust economy of the past few years has lured many states-Kansas, North Carolina, and President Bush's own state of Texas, among others—into cutting taxes and fees, only to find themselves struggling to fund basic services.

5. We need to honor the commitments we've made to provide health care for our seniors, education for our children, and a cleaner environment.

Time and again, my constituents tell me that honoring these obligations and commitments takes precedence over reduction in taxes.

Ms. LOFGREN. Mr. Speaker, I have received a lot of advice from my constituents about H.R. 3, President Bush's tax cut proposal. Mostly my constituents have told me not to vote for this plan, although some have urged support. I have listened carefully and read every letter and email. I've thought about what people back home have told me. I take very seriously my responsibility to act prudently in this matter.

I have heard President Bush and other proponents of H.R. 3 say that the surplus ''belongs to the people'' and that ''the people have overpaid'' and ''the people deserve a refund.'' Well what about the accumulated national debt? That doesn't belong to some other group of people. What that phrase overlooks is that the accumulated national debt, over 4 trillion dollars, is also ''the people's national debt.'' That debt needs to be paid, and if it is paid, it will be paid off with ''the people's money''.

In listening to my constituents, as well as economic experts, I have focused on several elements.

First, there is concern among many that a softening of the economy could be countered with a tax reduction that would stimulate consumer spending and help counter recessionary trends. I think it is important to underscore that the American economy is not in a recession, but it is also clear that softening has occurred. In addition to providing relief to taxpayers who want and need it, I agree that a tax reduction effort might well have a salutary impact.

To maximize this benefit, the tax cut should be quick, should be directed towards those who will spend it but must also avoid deficit spending. H.R. 3 falls short in these requirements.

Second, if we enact a tax reduction plan we must exercise care to insure that we avoid returning to the days of deficit spending, a phenomenon we have only recently escaped.

I have focused on the need for fiscal responsibility for the 22 years I have served in public office. As a member of the Board of Trustees of the San Jose-Evergreen Community College District in the late 1970's, I was part of the coalition that reduced administrative costs by more than 25%—and put the money into the classrooms. As a member of the Santa Clara County Board of Supervisors in the 1980's, I was part of the Board majority that cut spending dramatically and balanced the county's budget. This earned the county its excellent bond rating and saved taxpayers money on interest.

As a Member of Congress since 1995, 1 have supported policies that have helped this country to balance its operating budget and to begin to pay down the national debt. I'm proud of that and I believe that fiscal responsibility is good for America. Why? Deficit spending eats up revenue in interest rates. It leads to inflation, which eats up the budgets of families. In fact, some observers have predicted that if the Bush tax reduction plan results in a return to deficit spending, that most families will end up spending more on increased interest rates than they will see in a reduction of tax liability through the plan.

Finally, we need to make sure that a tax reduction plan, of an amount that is consistent with a balanced budget and deficit reduction, is constructed in a manner that advances the American principles of fairness and equity.

The Bush plan falls short. It postpones too much of the benefit to later years, defeating the effort to stimulate immediate economic activity. It directs 43% of the tax reduction benefit to those whose annual incomes are over $900,000 a year. I have nothing against those with incomes over $900,000 a year. In fact, I think it's terrific that we have a country where so many are able to prosper and to grow incomes. However, directing so much of the benefit to this income bracket is not the best way to stimulate economic activity nor is it perceived as equitable by the American people. People who have middle class incomes are having a harder go of it than those who have met with extraordinary financial success. Finally, there is geographic discrimination in this bill.

Because the economy of Silicon Valley has been so extraordinarily successful and because people have worked so hard and productively, median incomes are high. This is a wonderful thing. However, costs are also high in Silicon Valley. Families with incomes that would seem extraordinary in other parts of the country struggle with the costs of housing and childcare in Santa Clara County.

Because of the shortcomings in H.R. 3 to deal with the alternative minimum tax, many of my constituents will be denied the benefit of provisions of the bill that will help other middle class people. Let me give just one example: the increased child deduction is a good thing and something I support. Unfortunately, this promised benefit will be denied to my constituents whose annual income is $87,800 a year—just about the median 'income for the county under this bill. That's not fair and it's geographic discrimination.

I believe that it is wise to enact a tax cut, but I think President Bush's plan is not balanced and will damage America. There is broad consensus in this Congress that a major overhaul of the estate tax, correction of the so-called ''marriage penalty tax'' and increases in child deductions should be made. Nobody likes taxes, and many of us would like to see further reductions. But reductions have to be in harrnony with debt reduction as well as realistic forecasts of spending. Many of my constituents have told me that they would prefer higher investments in energy research, education and transportation than this proposed tax cut.

That is one of the reasons why it is a terrible mistake (as well as violative of the rules of the House of Representatives) to take action on this proposed tax bill before we have even discussed, let alone adopted, our budget.

Unfortunately, the manner in which this tax plan has been handled by the Republican leadership of the House has precluded the possibility of give and take, compromise and a sound consensus bill that would serve America well.

CENTER ON BUDGET AND POLICY PRIORITIES,
MARCH 2, 2001

NEW JOINT TAX COMMITTEE ESTIMATES RAISE COST OF BUSH TAX PLAN

Cost now well over $2 trillion

New Joint Tax Committee cost estimates of several elements of the Bush tax plan, which were released March 1 in conjunction with House Ways and Means Committee action, show that the cost of the Bush tax cuts is mounting. The Joint Tax Committee estimates find that the cost of the plan's income tax rate reductions exceeds the cost listed in the Administration's budget.

The Joint Tax Committee estimates also show that the rate reduction in the Bush plan would raise the number of taxpayers subject to the Alternative Minimum Tax to a stunning 36 million by 2011—or about one of every three taxpayers. The Joint Committee found that enactment of the proposed rate reductions would increase the cost of fixing the problems in the AMT by nearly $300 billion over 10 years.

The budget the Administration issued on February 28 shows that the tax cut would consume $2.0 trillion in projected surpluses. The Administration's estimates show the tax cuts would lose a little more than $1.6 trillion in revenue over 10 years and would raise the cost of interest payments on the national debt by nearly $400 billion, for a total cost of $2.0 trillion.

The cost estimate the Joint Tax Committee released March 1 shows that the Bush proposal to reduce the 28 percent, 31 percent, 36 percent, and 39.6 percent tax rates would cost $59 billion more over 10 years than the Administration's budget estimates.

The Joint Tax Committee also provided a cost estimate for the Bush proposal that would create a new 10 percent tax bracket; the estimate includes the effects of the Ways and Means Committee action to accelerate the phase-in of this provision. Primarily because of the faster phase-in, the cost of this provision is $67 billion higher than the cost listed for this provision in the Administration's budget.

This additional $126 billion in tax reductions, shown by the Joint Tax estimates, results in additional interest costs of $54 billion. This brings the overall added cost to $180 billion, raising the cost of the tax cut from $2.0 trillion to $2.2 trillion.

Further increases in cost may occur when the Joint Tax Committee issues its estimates for the cost of other components of the Bush tax plan. A comparison of the estimate of the cost of the Bush plan that the Joint Tax Committee issued last May to the estimates in the Administration's budget suggests the Joint Committee's forthcoming estimate of other aspects of the plan also is likely to exceed the Administration's figures.

The Joint Tax Committee's shocking AMT estimates

Another new analysis the Joint Tax Committee released in conjunction with the Ways and Means Committee action finds that the rate reductions the Committee approved would result in 15 million additional taxpayers becoming subject to the Alternative Minimum Tax by 2011. To prevent the Bush tax cut from subjecting these additional 15 million taxpayers to the AMT would require changes in the AMT that, according to the JCT analysis, would cost $292 billion over the next ten years.

Since the Bush plan fails to address this problem, this nearly $300 billion in added cost is not included in the Administration's estimate of its plan. But this cost eventually will have to be paid; neither party will stand by and allow one of every three taxpayers to be hit with the complexities (and increased tax burdens) of the AMT. The Bush plan thus ultimately entails a cost of an additional nearly $300 billion, plus added interest costs. This raises to more than $2.5 trillion over ten years the likely amount of projected surpluses that ultimately will be consumed if the Bush plan becomes law.

The Alternative Minimum Tax was intended to prevent high-income taxpayers from using a combination of tax breaks that would eliminate most or all of an individual's income tax liability. Taxpayers must pay the larger of either their normal income tax bill or the income tax they would owe under the AMT.

Because of flaws in the AMT's design, growing numbers of taxpayers will become subject to the AMT unless the problems in the AMT are addressed. According to the new Joint Tax Committee analysis, the number of taxpayers subject to the AMT is expected to rise under current law from 1.5 million taxpayers in 2001 to 20.7 million in 2011.

The income tax rate cuts in the Bush plan, as reflected in H.R. 3 (the legislation the Ways and Means Committee approved March 1), would further increase the number of people subject to the AMT, because the income taxes these people would owe under the regular income tax would now be lower than what they would owe under the AMT. The Joint Tax Committee estimates show that under the Ways and Means bill, the number of taxpayers affected by the AMT would rise to 35.7 million in 2011. In other words, the bill would result in an additional 15 million taxpayers being thrown into the AMT (i.e., 15 million taxpayers on top of the filers who would become subject to the AMT under current law). Under the Ways and Means bill, approximately one-third of all people who would pay income taxes would be subject to the AMT by 2011.

The Joint Tax Committee estimates find it would cost $292 billion over ten years just to keep these additional 15 million taxpayers from becoming subject to the AMT as a result of the Bush tax-rate reductions. This estimate does not reflect the cost of addressing the underlying problems in the AMT that, if not fixed, will push the number of taxpayers subject to the alternative tax from 1.5 million to nearly 21 million by 2011 even in the absence of the Bush tax cuts. Fixing this underlying problem will entail additional costs beyond the $292 billion.

CENTER ON BUDGET AND POLICY PRIORITIES,
FEBRUARY 26, 2001

IS A LARGE TAX CUT NEEDED TO FORESTALL AN EXPLOSION IN SPENDING?

Some supporters of a large tax cut this year, such as the tax cut the Bush Administration has proposed, argue that a large tax cut is needed to prevent an explosion of federal spending. They state that the Congressional Budget Office has determined that action by Congress and the last Administration in the final half of 2000 increased federal spending by $561 billion over the next ten years. A $1.6 trillion tax cut is needed, this argument goes, or else further spending explosions will occur. There are several problems, however, with the use of these figures to make the case that a spending explosion has begun.

How much did spending increase last year?

CBO has reported that actions taken in the last session of Congress increased CBO's estimate of baseline spending on government programs by $434 billion over the next ten years. Since this $434 billion will be used for program expenditures rather than for paying down debt, CBO has estimated that interest payments on the debt will be $118 billion higher. The figure of "$600 billion in new spending" that some policymakers have cited as a reason for a large tax cut is reached by adding the $118 billion in interest payments to the $434 billion in projected increased spending, also adding (inappropriately) $9 billion in increased interest costs that CBO says will result from some modest tax cuts enacted last year, and rounding the resulting $561 billion figure up to $600 billion.

It may be noted that $368 billion of the $434 billion in projected increases in program spending—or 85 percent of the increases in program spending—consist of increases in discretionary spending. The remaining $66 billion includes $28 billion in increased entitlement spending for health care for military retirees, a net of $20 billion in increased Medicare spending as a result of scaling back some Medicare savings provisions enacted in 1997, and $18 billion in increases in spending for other entitlement programs.

Should all of these costs be considered as spending increases?

Upon closer examination, a question arises as to whether this $368 billion in discretionary spending should all be regarded as a spending increase. Whether, and to what extent, it constitutes a spending increase depends on the baseline against which the new discretionary spending levels are measured.

No adjustment for population growth

The baseline that CBO employs assumes the maintenance of discretionary spending at its level for the preceding fiscal year, adjusted only for inflation. Since the U.S. population increases each year but the CBO baseline contains no adjustment for population growth, the CBO baseline essentially assumes a decline each year in the purchasing power of discretionary programs on a per-person basis. Under the CBO baseline, simply keeping discretionary spending constant in real per capita terms (i.e., keeping it at the same level in its ability to provide goods and services per U.S. resident) is counted as a significant spending increase.

A number of analysts have argued over the years that a more appropriate baseline for discretionary spending would be one that adjusted for both inflation and population growth. Robert Reischauer, the former CBO director who now heads the Urban Institute, argued (unsuccessfully) when CBO was first etablished that the discretionary spending baseline should account for population growth as well as inflation. In addition, President Bush himself stated on a number of occasions during the presidential campaign that the right way to measure changes in spending in Texas during his tenure as governor was by comparing the actual spending that occurred to what spending would have been if it had kept pace with both inflation and population growth. Were the same approach used here, the magnitude of the increase in discretionary spending that policymakers approved last year would be significantly smaller.

Spending as a share of the economy to hit half-century low

Furthermore, when measured as a share of the Gross Domestic Product, federal spending declined this year, despite the spending actions the last session of Congress took. The new CBO report on the budget shows that between fiscal year 2000 and fiscal year 2001, federal spending will drop from 18.2 percent of GDP to 18.0 percent. The 18.0 percent level for fiscal year 2001 is the lowest level since 1966. The CBO report also projects that federal spending will decline further to 15.1 percent of GDP by 2011, which would be the lowest level since 1951.

In addition, CBO projects that discretionary spending will remain constant at 6.3 percent of GDP between 2000 and 2001, which is the lowest level ever recorded. (These data go back to 1962.) Under the CBO projections—which include the much-touted "explosion" of spending—discretionary spending will decline to 5.1 percent of GDP by 2011, a level that would be the lowest by far in at least half a century.

One wouldn't know from the claims of a spending explosion that federal spending is at its lowest level as a share of GDP in 35 years or that by 2011, it would—under the baseline that includes the $561 billion in added spending reach its lowest share as a percentage of GDP since 1951.

Defense constituted nearly one-third of spending increase

A fact not often mentioned by those decrying the "spending explosion" is that the spending added in the last session of Congress was disproportionately directed toward defense spending. Defense spending increases accounted for nearly one-third—31 percent—of the $434 billion in spending increases over ten years. Defense spending accounts for 18 percent of the federal budget, exclusive of interest payments, so defense's share of the spending increase was nearly twice its share of the budget.

CBO has estimated that as a result of action in the last session of Congress, defense discretionary spending in the baseline will be $106 billion higher over the next 10 years, while entitlement spending for military health will be $28 billion higher. This $134 billion total accounts for 31 percent of the $434 billion projected increase in program spending before the increased interest payments are added.

Conclusion

Proponents of a large tax cut frequently speak of revenues as being at or near their highest level as a share of GDP since World War II. In discussing trends in federal expenditures, however, tax-cut proponents typically eschew use of a standard that measures federal spending as a share of GDP. They measure trends in discretionary spending against a baseline that assumes reductions in such spending on a real per-capita basis and counts spending levels that keep discretionary spending constant in purchasing power per person as constituting spending increases. These definitions of what constitutes a spending increase underlie arguments that a spending explosion has taken place, arguments that overlook the reality that federal spending is at its lowest level in decades as a share of the economy.

CENTER ON BUDGET AND POLICY PRIORITIES,
REVISED MARCH 1, 2001

THE ADMINISTRATION'S BUDGET RESERVE: DO THE NUMBERS ADD UP?

(By Robert Greenstein, Richard Kogan, and Joel Friedman)

The budget is said to contain a $842 billion reserve. Closer examination, however, indicates that the numbers underlying the reserve do not add up.

1. Medicare: The budget fails to set to the side the surpluses in the Medicare Hospital Insurance trust fund and creates a fiction that Medicare has no surpluses and is in deficit. Tables in the budget show that OMB actually projects that the Medicare Hospital Insurance trust will run a $526 billion surplus over the next 10 years. The Medicare HI surplus, which policymakers of both parties have voted to set to the side and not to use to finance tax cuts or other programs, amounts to more than half of the so-called "reserve."

In the budget, the administration tries to make this surplus disappear through a clever but misleading budget display. Medicare Hospital Insurance (Part A) is financed by payroll taxes and, to a small degree, by a portion of the income taxes that are collected from the taxation of a portion of the Social Security benefits of higher-income beneficiaries. Medicare Hospital Insurance has its own trust fund. The physician's services part of Medicare (Part B) is funded separately and, unlike Part A, was never intended to be self-financing. One-fourth of its financing of Medicare Part B comes from monthly premiums that beneficiaries pay, but the other three-fourths comes from general revenues. This is how Medicare was designed.

The administration takes the unprecedented step of adding the total costs of Medicare Parts A and B and then comparing them to Medicare revenues just froom payroll taxes and premiums. Since three-quarters of Medicare Part B is intended to be funded by general revenue, the effect is to make it look like Medicare's costs exceed Medicare's income. The administration then pronounces the Medicare HI surplus as meaningless and claims that Medicare is in deficit so it has no surpluses to save. This serves the politically convenient purpose of helping to justify what otherwise would seem politically unjustifiable—failing to set aside the Medicare HI trust fund surplus and instead using it to fund other items.

Using this device to claim that Medicare is in deficit is not justifiable. By this logic, all programs funded by general revenues—including the Pentagon, the military pension Program, and the education and health research programs that the administration proposes to expand—are in deficit and thus in need of reform, as is everything in the budget not specifically financed by an earmarked tax.

By camouflaging the Medicare HI trust fund surplus and artificially making it "disappear," the Administration can turn around and add the $526 billion Medicare HI surplus to the surplus in the rest of government to make it appear as though all of these funds are available to finance the tax cut and other programs. Through this maneuver, the Administration is able to make it look as though there is more room in the budget for its tax cut and to hide the troubling trade-offs the large tax cut creates for the rest of the budget. Ironically, one of those troubling trade-offs is that if the tax cut is enacted, there will be less money available for an adequate Medicare drug benefit and for an infusion of more general revenue into Medicare as part of a Medicare reform package that restores long-term solvency to the program.

Once the Medicare HI surpluses are set to the side, only $316 billion of the Administration's $842 billion reserve remains.

2. Inevitable Costs that are Left Out. The budget leaves out a number of inevitable costs. These include:

Continuing current payments to farmers, at a cost of about $100 billion over 10 years (Table S–11 shows spending for agricultural programs plummeting from $26.1 billion in 2001 to $14.9 billion in 2003 and smaller amounts in subsequent years, because of the administration's failure to include the virtually inevitable costs of continuing these farm payments);

Fixing a well-known problem in the Alternative Minimum Tax so it does not subject millions of middle-class families to the AMT, which entails a cost of approximately $300 billion over 10 years if the Bush tax cut is passed; and

Extending the expiring tax credits for 10 years (the budget shows the cost of extending most of these credits for only one year), which adds about another $25 billion.

The more-than-$400 billion in costs just mentioned would also generate additional costs for interest payments on the debt. This would bring these costs to more than $500 billion, which exceeds the $316 billion left in the reserve when the Medicare HI trust fund surplus is set to the side.

3. Additional Costs the Administration has not specified. The administration's ''helping hand'' prescription drug proposal is supposed to be only a first step; it is limited to low-income seniors. As a candidate, President Bush said this would then be broadened into a drug benefit for other seniors as well. The budget does not include resources that could accommodate a significant drug benefit for middle-income seniors.

The budget also does not include funds for a national missile defense or other defense spending increases that are likely to emerge from the Administration's defense review.

Conclusion

The ''reserve'' is a convenient way to avoid providing specifics in a number of areas. It obscures the fact that rather than creating a reserve for unforeseen contingencies, the budget lacks sufficient funds to avoid a return to deficits outside the Social Security and Medicare HI trust funds, unless large cuts in domestic programs—cuts that the Administration does not identify at this time—are enacted.

CENTER ON BUDGET AND POLICY PRIORITIES, REVISED MARCH 1, 2001

THE ADMINISTRATION'S BUDGET: GAPS BETWEEN RHETORIC AND REALITY

(By Robert Greenstein, Richard Kogan, and Joel Friedman)

Initial analysis of the Administration's budget suggests substantial differences in key areas between the realities that underlie this budget and the comforting rhetoric surrounding it:

1. The supposed $842 billion contingency reserve is essentially an illusion.

First, the reserve is inflated by more than $500 billion through a misleading presentation that camouflages the surpluses in the Medicare Hospital Insurance trust fund, which both houses of Congress voted by nearly unanimous votes last year to set aside and not to use for tax cuts or other programs. The budget artificially makes the Medicare HI surpluses ''disappear'' in order to make the surpluses available for tax cuts and other initiatives appear to be larger than they actually are.

Second, the ''extra'' funds that constitute the reserve are generated by failing to include in the budget various costs that will inevitably occur, such as the costs of maintaining current payments to farmers, fixing the Alternative Minimum Tax so it doesn't hit millions of middle-class taxpayers, and extending a number of expiring tax credits for the full 10 years. The ''extra funds'' also are generated by the lack of inclusion in the budget of the costs of some key initiatives the President promised in the campaign and plans to pursue, such as a national missile defense.

Third, the math underlying the reserve assumes that a prescription drug benefit and Medicare reform can be accomplished for $153 billion over 10 years. This amount is far below what any drug benefit that provides even modest help to middle-income seniors will cost and ignores the fact that restoring long-term solvency will require large additional sums to be devoted to Medicare from general revenues, even if controversial changes like those in the Breaux-Frist or Breaux-Thomas packages are enacted. (The Breaux-Frist and Breaux-Thomas packages would close only a modest share of the long-term funding gap in the Medicare Hospital Insurance trust fund. The need for additional general fund revenues can be avoided only if Medicare payroll taxes are raised significantly, an approach the Administration clearly does not favor.)

Fourth, any use of the reserve for purposes other than debt reduction—i.e., for AMT relief, Medicare reform, farmers, extra defense costs, or the like—will generate extra interest costs that also must fit within the reserve.

Fifth, the existence of the reserve also rests upon an assumption contained in the budget that cuts of several hundred billion dollars will be needed over the next 10 years in non-defense discretionary programs outside education, health research, and a few other favored areas. Such cuts will be very difficult to secure political support for, especially in a period of surpluses. They are unlikely to occur.

When realistic accounting is done, the reserve disappears and a budget hole emerges. If this budget hole is not filled, the budget will entail a return of deficits outside Social Security and Medicare (and of the use of Social Security and Medicare surpluses to fund other programs). In other words, since the reserve is inadequate to cover the likely claims against it, deficits outside of Social Security and Medicare Hospital Insurance trust funds are likely to return unless still larger cuts in domestic programs can be achieved.

The reserve turns out, upon close inspection, to be a clever accounting device that obscures more than it illuminates and cloaks the budget trade-offs the Administration's large tax cut creates. By failing to disclose the costs of a number of items and distorting Medicare financing, the budget essentially ''hides the ball'' and prevents policymakers and the public from seeing the trade-offs the tax cut entails. (The reserve is discussed in more detail in our accompanying piece, ''The Administration's Budget Reserve: Do the Numbers Add Up?.'')

2. A careful reading of the tables in the budget reveals that the budget math depends upon significant, unspecified reductions in non-entitlement programs. Table S–4 shows that the budget proposes cuts of $12.1 billion in fiscal year 2002 in discretionary programs outside defense, education, health research, and a few other favored areas. Table S–4 also shows a reduction of $8.4 billion in FY 2002 appropriations below the FY 2001 level for one-time items and earmarked items. Reductions of this magnitude in earmarked and one-time items are unlikely—each year's appropriations bills have new earmarks and one-time items. The probable result would be reductions greater than $12.1 billion next year in discretionary programs outside the favored areas. Another table (S–6) provides data showing that fiscal year 2002 funding for discretionary programs in an array of departments and agencies would be cut below a ''freeze'' level—that is, below the FY2001 level even without an adjustment for inflation. Among the agencies in which overall funding for discretionary programs would be cut below a freeze level are the Departments of Agriculture, Commerce, Energy, Interior, Justice, and Labor, and the Environmental Protection Agency.

The budget also shows that the Administration's education, defense, health research, and other discretionary initiatives would add $260 billion over 10 years, without counting national missile defense, while total discretionary spending would rise just $30 billion over 10 years. This means non-defense discretionary spending outside education, health research, and a small number of other favored areas would have to be reduced $230 billion below the current year's level, adjusted for inflation. These cuts are left unspecified. And when the Administration eventually proposes increases for national missile defense and other defense spending increases, the size of the reductions needed in other discretionary areas could grow several hundred billion dollars larger—or, more realistically, constitute another claim against an already oversubscribed ''reserve.''

Also of note, Table S–7 shows that the Administration is proposing new caps on total discretionary spending, to be set approximately at this year's level adjusted for inflation. Table S–12 purports to show how much each area of the budget would receive under the caps. But the figures in Table S–12 are illusory; a footnote to the table shows that the defense numbers in the table do not include any of the defense spending increases the Administration will propose in the future. Providing more money for national missile defense and other defense programs, as the administration is expected to do, will mean that other departments need to be cut to lower levels than the levels shown in the table, in order for total discretionary spending to fit within the caps the Administration has proposed.

What emerges is that the Administration is using the ''reserve''—along with the lack of specificity regarding what it will seek for national missile defense and various other defense spending increases and what specific cuts it ultimately will propose in an array of domestic discretionary programs—to camouflage the trade-offs and tough choices its tax cut entails. Indeed, the strategy may be to show the defense increases—along with some of the proposed cuts—in the budget released a year from now, after the tax cut has been enacted.

3. Another point that emerges from the budget is that the Administration's tax cut costs at least $2.0 trillion. Table S–2 shows the tax cut will lose $1.62 trillion in revenue. It also shows increased interest payments on the debt of $417 billion. The overwhelming bulk of this $417 billion in added interest costs results from the tax cut. (The $417 billion reflects the added interest costs due to $1.62 trillion in tax cuts and $173 billion in net spending increases.) Since about $375 billion of the $417 billion in interest costs results from the tax cut, that brings the overall cost of the tax cut to $2.0 trillion. This $2 trillion cost does not include added costs from fixing problems in the Alternative Minimum Tax or from accelerating some of the tax cuts, which the President has said he favors.

4. The budget pays down less debt than it could. The Administration's claim that $2 trillion is the maximum amount of debt that can be paid down over 10 years rests on an

assertion that there is $1.2 trillion of publicly held debt that cannot be paid down in this period. This figure is disputed by other experts. CBO has estimated that the amount of debt left outstanding at the end of ten years would be about $800 billion if the Treasury simply continues its existing policy of buying back some marketable debt before it matures. In recent testimony, Federal Reserve Chairman Alan Greenspan used a figure of $750 billion (plus some modest amounts of debt the Fed may or may not need to hold on to). Gary Gensler, the former Treasury Undersecretary who managed the Treasury's debt operations, concludes in a new analysis that the amount of debt outstanding in 2011 could be reduced as low as $400 billion to $500 billion. The Administration's figure is conveniently above these other estimates.

5. Finally, in some areas, the Administration's press releases and the President's address to Congress risk creating misleading impressions. For example, the President said last night that his budget would increase spending on Social Security, Medicare, and other entitlements by $81 billion in 2002. In fact, $68 billion of this increase represents no change in the operation, eligibility, or generosity of these programs; this $68 billion simply reflects costs that will automatically occur under current law as a result of the annual Social Security cost-of-living adjustment, increases in health care costs charged by medical providers, and an increase in the number of elderly beneficiaries. The true increase that the President is proposing in 2002 in these programs is $13 billion, about one percent of the cost of these programs, which would largely go for the ''helping hand'' prescription drug proposal.

CENTER ON BUDGET AND POLICY PRIORITIES, MARCH 2, 2001

IN BUSH BUDGET, TAX CUTS FOR TOP ONE PERCENT ARE LARGER THAN HEALTH, EDUCATION, AND ALL OTHER INITIATIVES COMBINED

In the Presidential campaign, Vice President Gore contended that then-Governor Bush would provide more in tax cuts to the top one percent of taxpayers than he would provide for all of the initiatives he proposed. Mr. Bush replied that this was untrue. Both campaigns provided numbers to support their cases. In so doing, both campaigns engaged in some distortion of the numbers (as explained in the box on page 2), with Gore overstating and Bush understating the tax reductions that would go to the top one percent.

A new analysis, based on the Bush budget document issued February 28 and free of the distortions of both campaigns, finds the top one percent would get at least $555 billion in tax cuts over the next decade under the Bush plan. All initiatives in the budget—including a prescription drug proposal for seniors, increases in education, health research, defense, and other areas—would total less than $500 billion. (As explained below, these figures are based on a methodology that favors the president.) Thus, the tax cuts that would go to the one percent of taxpayers with the highest incomes—a group whose incomes have soared in recent years and have risen much more rapidly than the incomes of the rest of the population—would exceed the new resources proposed for all other national priorities combined.

Methodology

According to the Bush budget, the President is proposing tax cuts that would lose $1.62 trillion in revenue over the next ten years. This total includes both those tax cuts President Bush unveiled in the campaign that are often thought of as ''the Bush tax cut'' and about 20 other, mostly small, tax reduction proposals. Virtually all analyses of the proportion of the proposed tax cut that would go to the top one percent of taxpayers have examined the proposals in ''the Bush tax cut'' and not the additional, smaller proposals. In analyzing the amount of tax reductions that the top one percent would receive in the next ten years, we include only the tax proposals in ''the Bush tax cut'' and exclude the other Bush tax reductions. This understates the amount of tax cuts that would go to the top one percent.

The Bush budget shows a total of $1.494 trillion in tax cuts over ten years from the tax provisions in the ''Bush tax cut'' (see Table S–9 of the budget). This figure appears to understate the size of the tax cuts; on March 1, the Joint Tax Committee informed Congress that the income tax rate reductions in the Bush plan would cost $59 billion—or 12 percent—more over ten years than the Administration's budget estimates. Earlier Joint Tax Committee estimates suggest the Committee is likely to raise the price tag on other provisions of the tax cut as well. In this analysis, we use the Administration's estimates, which are lower than the Joint Committee's, because a Joint Committee estimate on the cost of the full Bush tax cut is not yet available.

We divide the administration's estimate of the cost of the tax cut into three categories: what the administration estimates the individual income tax reductions will cost; what it estimates the estate tax changes will cost; and what it estimates its corporate tax reductions (which are relatively small) will cost.

We multiply the income tax reductions by the percentage of the Bush income tax cuts that Citizens for Tax Justice has estimated would go to the top one percent of taxpayers. The CTJ estimate comes from the well-respected Institute for Taxation and Economic Policy model, which CTJ uses. In the past, CTJ estimates of the distribution of proposed income tax cuts among different income groups have been similar to those that the career staff at the Treasury Department has produced.

For estate tax repeal, we multiply the administration's estimate of the amount of tax reductions that this proposal would generate over the next ten years by the Treasury's own estimate of the proportion of the estate tax that the top one percent of taxpayers pay. Treasury issued a major study of this issue in September 1999 and since then has used the study's findings on this matter in analyzing how different income groups would be affected by tax proposals that include changes in the estate tax.

For the modest corporate tax changes in the Bush plan, we use the Treasury estimate (from the same September 1999 study) of the proportion of corporate taxes that are borne by the top one percent of taxpayers. The results on the corporate tax changes are essentially the same regardless of whether one uses the CTJ results from the ITEP model or the Treasury estimate.

The result is an estimate that $555 billion in tax cuts over the next ten years would go to the top one percent of taxpayers. This estimate understates the actual amount because, as noted, it excludes some tax reductions contained in the administration's budget and uses the administration's estimates for the cost of tax cut provisions that the Joint Tax Committee says carry a higher price tag.

The initiatives

The amounts the administration is proposing for initiatives in its budget are set forth in the tables at the back of the budget the administration issued on February 28.

The budget proposes $153 billion over ten years for Medicare, principally for a drug benefit (Table S–1).

The budget proposes $260 billion over ten years in discretionary spending increases in education, defense, health research, and seven other areas (Table S–5). The budget also proposes $230 billion offsetting savings from unspecified reductions in discretionary programs. In this analysis, we count the $260 billion in proposed increases without netting out the proposed decreases.

The budget contains $2 billion in mandatory spending initiatives outside Medicare. The budget also contains $20 billion in savings in mandatory programs. We count the $2 billion without subtracting the reductions.

This produces a total of $415 billion in spending initiatives. This is well below the $555 billion in tax reductions the top one percent of taxpayers would receive.

The administration may argue that the proposal it has included in the budget for health insurance tax credits should be considered more like a program initiative than a tax cut. According to the Office of Management and Budget, the budget includes $70 billion to $80 billion for this purpose, consisting of $50 billion to $60 billion in tax reductions and $20 billion in refundable tax credits to taxpayers with no remaining income tax liability. Including the $70 billion to $80 billion cost of this proposal brings the initiatives to $485 billion to $495 billion, still well below the tax reductions the top one percent of taxpayers would secure.

Finally, the budget also includes $63 billion to $73 billion for approximately 20 other tax incentives. Some of these appear to be proposals that would primarily benefit higher-income taxpayers; other of these proposals would not have that effect. The administration has not yet provided information that breaks out the cost of each of these tax proposals. An appropriate accounting would count these as tax reductions, a portion of which would go to the top one percent of taxpayers. Even if we assume that the bulk of these tax preferences should be treated as initiatives, like the health tax credit, the total for initiatives in the budget still would not exceed what the top one percent would receive through tax cuts.

CENTER ON BUDGET AND POLICY PRIORITIES, MARCH 5, 2001

IS THE HOUSE TAX BILL NEEDED TO AVERT A RECESSION?

(By Peter R. Orszag)

On March 1, the House Ways and Means Committee passed the Economic Growth and Tax Relief Act of 2001, which reduces income tax rates roughly in line with the Bush administration's tax cut proposal. (The Ways and Means legislation includes one change from the Bush budget: It would create an interim 12 percent bracket this year, accelerating a small part of the income tax cut.)

Many advocates of the tax cut, including members of the Bush administration, have argued that it will help to spur the economy out of its current period of sluggish growth and avoid a possible recession. Most economists are dubious of this argument. Even Treasury Secretary Paul O'Neill stated in his confirmation hearings that ''I'm not going to make a huge case that this is the investment we need to make sure we don't go into a recession.''

The argument that the proposed tax cut is necessary to avoid a recession overlooks several key factors.

The tax cut is backloaded and does not provide much stimulus in short run

The tax plan the Ways and Means Committee has passed would do little to lift the economy in the short run because its tax cuts are backloaded. Indeed, only 0.5 percent (or $1 out of every $200) of the cost of the legislation between 2001 and 2011 would occur in

2001. Less than 5 percent of the total cost occurs before 2003, by which time economic conditions are very likely to be different than today. Fundamentally, such backloading is inconsistent with spurring the economy in the short run: The tax cuts would do little to boost families' spending power immediately and therefore do little to spur the economy in the months ahead.

Another perspective on the size of the tax cut in 2001 is that it amounts to just 0.05 percent (or roughly $1 out of every $2,000) of Gross Domestic Product for the year, as estimated by CBO. This reduction is too small to have much macroeconomic impact in the short run.

As Alan Auerbach, a leading tax economist at the University of California, Berkeley, recently noted, the Bush tax package ''was never designed to be a stimulus package, and it can't be made into a stimulus package unless you throw it away and start over. It has no effect in the short run.'' The Ways and Means Committee did not throw out the Bush tax proposal and start over; the legislation it passed was not designed to be, and is not, an effective stimulus package.

The reason that the Bush tax cut is not designed to stimulate the economy in the short run is not only that it is backloaded but also that it is heavily tilted toward high-income earners. When fully in effect, the Bush tax cut would deliver nearly 40 percent of its benefits (including its estate tax reductions) to the top one percent of the population. This substantially exceeds the share of federal taxes this group pays. (The top one percent pays 24 percent of all federal taxes.) Moreover, the share of the tax cuts the top one percent of the population would receive when the Bush proposal 5 is fully in effect is greater than the share the bottom 80 percent of the population would receive. The distribution of tax benefits is significant because higher-income families are more likely to save some portion of their tax cut than are lower- and middle-income families.' If the objective is to spur the economy, the Bush tax cut is not well-designed for the task. Putting more money back in the hands of lower- and middle-income families would provide a greater ''bang for the buck.''

Tax cuts are not an effective tool for managing the economy

Whatever the design of the tax cut, a large majority of economists believe tax cuts are simply not an effective tool for managing the macro-economy. In many cases, such tax cuts take effect after the economy has already started to recover. Even if the Ways and Means Committee legislation were enacted, families would likely not receive any additional cash until the second half of the year. By then, as William McDonough, the President of the Federal Reserve Bank of New York, was recently quoted as saying, the economy is expected to be ''quite strong'' even in the absence of a tax cut. As discussed below, CBO similarly projects a strong, fairly prompt return to solid economic growth rates without a tax cut.

Most economists believe that monetary policy is more effective than fiscal policy in managing short-term problems in the economy. Alan Greenspan noted in testimony on January 25, ''Lately there has been much discussion of cutting taxes to confront the evident pronounced weakening in recent economic performance. Such tax initiatives, however, historically have proved difficult to implement in the time frame in which recessions have developed and ended.''

In most cases, the Federal Reserve can provide as much or more stimulus than Congress by increasing the money supply, which reduces interest rates. A tax cut is usually unnecessary, given the ability of the Federal Reserve to reduce interest rates and to act quickly. Paul Krugman, a well-known economist at Princeton, recently wrote, ''almost all economists now agree with the position that monetary policy, not fiscal policy, is the tool of choice for fighting recessions.''

It is far from clear that a recession looms

The seriousness of the economic slowdown remains uncertain. CBO projects that while economic growth will slow in 2001, the economy will avoid a recession, with GDP rising by 2.4 percent, after adjusting for inflation. CBO also projects that the economy will then rebound and grow at a solid rate of 3.4 percent in 2002 and a rate of 3.1 percent throughout the rest of the coming 10-year period. CBO forecasts that the economy will avoid a recession, rebound from its current, slower rate of growth, and enjoy a higher subsequent growth rate, without a tax cut.

The Federal Reserve itself, in its February 13 monetary policy report to Congress, also predicted a return to stronger growth later this year in the absence of any fiscal policy changes. As the report stated, ''Although the economy appears likely to be sluggish over the near term, the members of the Board of Governors and the Reserve Bank presidents expect stronger conditions to emerge as the year progresses. For 2001 overall, the central tendency of their forecasts of real GDP growth is 2 percent to 2½ percent, measured as the change from the fourth quarter of 2000 to the fourth quarter of 2001.''

Private-sector forecasters similarly are doubtful the economy will enter a recession. The Economist magazine's most recent poll of private-sector forecasters suggests an average projected growth rate of 1.8 percent in 2001. The average growth forecast for 2001 among the forecasters included in the latest Blue Chip Economic Indicators, published February 12, is 2.1 percent. While these rates of growth are lower than those of recent years, they indicate that most forecasters do not believe a recession will occur. The unofficial definition of a recession is two consecutive quarters of negative growth (that is, the economy contracts rather than continuing to grow).'' Only five percent of the forecasters included in the Blue Chip report believed the economy is in a recession. Moreover, the average Blue Chip forecast is for a strong rebound from the current growth slowdown, with a growth rate of 3.5 percent in 2002.

This uncertainty regarding whether the economy is in, or will enter, a recession provides another motivation for leaving macroeconomic management to the Federal Reserve: the Federal Reserve is better equipped to monitor the economic situation as it evolves than Congress is.

Conclusion

The Ways and Means tax cut is not well designed to address a possible economic slowdown since it is backloaded. The tax cut in 2001 is too small to be of much macroeconomic benefit in the short run and is also unlikely to be passed in time to address the current sluggishness in the economy. Most economists believe that with the exception of a significant recession, macroeconomic fluctuations such as a decline in the growth rate should be addressed primarily by the Federal Reserve.

CENTER ON BUDGET AND POLICY PRIORITIES,
MARCH 6, 2001

IN MANY STATES, ONE-THIRD TO ONE-HALF OF FAMILIES WOULD NOT BENEFIT FROM BUSH TAX PLAN

(By Nick Johnson, Allen Dupree, and Isaac Shapiro)

A substantial number of families in every State would not benefit from tax plan

A substantial portion of families with children in each of the 50 states and the District of Columbia would receive no assistance from President Bush's tax plan submitted to Congress in early February. In some states, as high a portion as one in two children live in families that would receive no assistance under the provisions of the plan. In every state, the number of families that would not benefit from the plan is substantial.

Nationwide, an estimated 12.2 million low- and moderate-income families with children—31.5 percent of all families with children—would not receive any tax reduction from the Bush proposal. Approximately 24.1 million children—33.5 percent of all children—live in the excluded families. The vast majority of the excluded families include workers.

These families are distributed somewhat unevenly across the states. Among the states where high percentages of families and children would not benefit from the plan are Arizona, Arkansas, California, Georgia, Louisiana, Mississippi, Montana, New Mexico, North Dakota, Texas, and West Virginia, plus the District of Columbia. In each of those states, about 40 percent to 50 percent of all children live in the excluded families. In California alone, 1.7 million families with 3.7 million children would not benefit from the tax cut. Even in the states with the smallest proportion of low- and moderate-income families—such as Colorado, Connecticut, Maryland, Minnesota and Wisconsin—about one in five families would not benefit from the tax cut.

This analysis investigates these figures in more detail and examines the reason that so many families and children do not benefit—the families have incomes too low to owe federal income taxes. The Bush plan reduces only income taxes and taxes on large estates. This leads to a discussion of whether families that do not owe income taxes should benefit from a large tax-cut proposal and the extent to which they owe taxes other than income taxes, most notably the payroll tax. The large majority of the excluded families do pay payroll taxes and other federal taxes, plus substantial amounts of state and local taxes, and can have significant overall tax bills. Among all American families, three of every four pay more in federal payroll taxes than in income taxes.

FAMILIES AND CHILDREN THAT WOULD NOT BENEFIT FROM BUSH TAX PLAN, BY STATE

State	Number of families	Percent of families	Number of children	Percent of children
New Mexico	117,000	47	278,000	52
District of Columbia	25,000	43	54,000	48
Mississippi	194,000	42	339,000	45
West Virginia	99,000	42	161,000	45
Louisiana	270,000	41	496,000	44
Arizona	278,000	41	565,000	41
Tennessee	298,000	39	528,000	38
Montana	50,000	38	98,000	41
Texas	1,167,000	38	2,256,000	41
Georgia	431,000	38	859,000	41
Arkansas	140,000	37	276,000	40
New York	922,000	36	1,865,000	39
Alabama	227,000	36	436,000	38
North Dakota	30,000	36	61,000	40
California	1,742,000	35	3,744,000	40
Kentucky	198,000	35	326,000	35
Hawaii	58,000	34	108,000	33
South Carolina	190,000	34	338,000	37
Idaho	62,000	33	138,000	40
North Carolina	349,000	33	644,000	34
Florida	630,000	33	1,213,000	35
Oklahoma	144,000	32	282,000	35
Oregon	146,000	31	291,000	33
Wyoming	22,000	30	43,000	33
Missouri	236,000	30	435,000	30
Kansas	107,000	29	201,000	30
Delaware	32,000	29	70,000	34
Ohio	460,000	29	887,000	30
Maine	49,000	29	90,000	29
Nebraska	63,000	28	132,000	29
Massachusetts	224,000	28	471,000	31
Illinois	482,000	28	985,000	30
Michigan	396,000	28	807,000	28
Nevada	76,000	27	172,000	29
Vermont	23,000	27	43,000	28

FAMILIES AND CHILDREN THAT WOULD NOT BENEFIT FROM BUSH TAX PLAN, BY STATE—Continued

State	Number of families	Percent of families	Number of children	Percent of children
South Dakota	27,000	27	50,000	27
Iowa	107,000	26	201,000	28
Pennsylvania	413,000	26	835,000	29
Virginia	242,000	25	439,000	26
Washington	203,000	25	391,000	28
Rhode Island	34,000	25	68,000	26
Indiana	208,000	25	390,000	26
Alaska	25,000	24	50,000	25
New Jersey	247,000	23	486,000	24
Utah	78,000	23	171,000	24
New Hampshire	41,000	23	83,000	23
Maryland	136,000	21	255,000	21
Minnesota	134,000	20	297,000	22
Wisconsin	157,000	20	316,000	20
Connecticut	86,000	19	191,000	21
Colorado	106,000	18	233,000	20
U.S. Total	12,182,000	31	24,148,000	34

Source: Center on Budget and Policy Priorities tabulations from U.S. Census, Current Population Survey.

Who would be excluded?

We examined the latest data from the U.S. Census Bureau to estimate the number of families and children under 18 who would receive no assistance from the Bush tax plan. To ensure accurate estimates at the state level, we used data for the three years from 1997 to 1999; our analysis estimates the effects of the plan as if it were in full effect in those years. Using data for three years rather than data collected within a single year enlarges the sample size, thus increasing precision.

The table on page 2 shows how many of these families live in each state and in the District of Columbia. The figures indicate that throughout the country, there would be substantial numbers of children left out of the plan. In some states, extremely high numbers of children and families would receive no benefit.

An estimated 3.7 million children in California, 2.3 million children in Texas, 1.9 million children in New York, and 1.2 million children in Florida, along with their families, would receive no benefit from the tax proposal. In each of another eight states—Arizona, Georgia, Illinois, Michigan, North Carolina, Ohio, Pennsylvania, and Tennessee—the families of half a million children, or more, would fail to gain from the tax cut plan.

In less populous states, the numbers of children and families that would not benefit from the plan are smaller but still substantial. Even in the least populous states, such as Alaska, Vermont and Wyoming, tens of thousands of families with children would not benefit.

Approximately 52 percent of children in New Mexico live in families that would not benefit under the tax proposal. Other states where approximately 40 percent to 50 percent of children live in families that would not benefit include Alabama, Arizona, Arkansas, California, Georgia, Idaho, Louisiana, Mississippi, Montana, New York, North Dakota, Tennessee, Texas, and West Virginia, plus the District of Columbia. Not surprisingly, because the families that would be excluded under the Bush plan are those with incomes below the poverty line or modestly above it, these states tend to have relatively high levels of child poverty.

By contrast, families in wealthier states are least likely to be excluded from the Bush plan. Even in relatively low-poverty states, like Colorado, Connecticut, Maryland, Minnesota and Wisconsin, 18 percent to 22 percent of children and families would not benefit from the plan.

The finding that about one in three families nationwide does not benefit from the tax plan is consistent with the findings of independent analyses of who is left out of the Bush plan that have been conducted by researchers at the Brookings Institution, the Urban Institute, and the Institute on Taxation and Economic Policy. All three sets of analyses indicate that among all families with children, nearly one in three would not receive any assistance from the Administration's proposal.

Even the Bush proposal to double the child tax credit—the feature of the President's tax plan that one might expect to provide the most assistance to children in low- and moderate-income families—would be of little or no help to most of these children. This proposal would provide the largest tax reductions to families with incomes above $110,000 and confer a much larger share of its benefits on upper-income families than on low- and middle-income families.

Under the Bush plan, the maximum child credit would be raised from $500 per child to $1,000 in 2006.

All families with two children in the $110,000 to $250,000 range, however, would receive an increase in their child tax credit of more than $500 per child. For most of these affluent taxpayers, the child credit would rise from zero under current law to $1,000 per child under the Administration's plan. This is because the Bush proposal extends the child tax credit to many families with high incomes who currently receive no credit at all. (This outcome results from two provisions of the Bush plan. The plan both increases the point at which the child credit begins to phase out and slows the rate at which it phases out. Under current law, the credit for a married family with two children phases out between $110,000 and $130,000. Under the Bush plan, when fully in effect starting in 2006, the credit for such a family would phase out between $200,000 and $300,000. Families between $130,000 and $300,000 thus would be made newly eligible for the credit.)

By contrast, the Bush plan does not extend the credit to any low- and moderate-income families who currently receive nothing from the credit. Under the plan, increased coverage for high-income families with children is not accompanied by increased coverage for low-income families.

Why don't families benefit?

During 2000, Bush campaign officials touted their tax-cut plan as benefitting lower-income taxpayers substantially in two key ways—by doubling the child credit to $ 1,000 per child and by establishing a new 10 percent tax-rate bracket. Some married families also would benefit from the plan's two-earner deduction. None of these features, however, affect a family that owes no income taxes under current law.

A large portion of families with children fall into this category. As a result of the combination of the standard deduction (or itemized deductions if a family itemizes), the personal exemption, and existing credits such as the child tax credit, these families do not owe federal income taxes. (As described below in more detail, these families can pay substantial amounts in other taxes, such as payroll and excise taxes, even after the Earned Income Tax Credit is taken into account.)

The level at which families now begin to pay federal income taxes is well above the poverty line. For example, in 2001, a two-parent family of four does not begin to owe income tax—and thus does not begin to benefit from the Bush plan—until its income reaches $25,870, some 44 percent above the poverty line of $17,950. Families with incomes below the poverty line would receive no assistance from the tax cut, nor would many families with incomes modestly above the poverty line.

The framers of the Bush plan could have assisted low-income working families by improving the Earned Income Tax Credit, which provides tax relief and supplements wages for low- and moderate-income working families. Alternatively, the Bush plan could have expanded the dependent care tax credit—a credit that can offset a family's child care costs—and made it available to the low-income working families who now are denied access to this credit because it is not ''refundable'' (that is, it cannot exceed the income taxes a family otherwise owes). Or, the plan could have increased the now-limited degree to which the child tax credit is refundable and can be used to offset taxes other than income taxes. The plan takes none of these steps.

Which families should benefit?

Since the reason that millions of families and their children would not benefit from the Bush plan is that they do not owe federal income taxes, some have argued that it is appropriate they not benefit. ''Tax relief should go to those who pay taxes'' is the short-hand version of this argument. This line of reasoning is not persuasive for several reasons.

1. A significant number of these families owe federal taxes other than federal income taxes, often paying significant amounts. For most families, the biggest federal tax burden by far is the payroll tax, not the income tax. Data from the Congressional Budget Office show that in 1999, three-fourths of all U.S. families paid more in federal payroll taxes than in federal income taxes. (This comparison includes both employee and employer shares of the payroll tax; most economists concur that the employer's share of the payroll tax is passed along to workers in the form of lower wages.) Among the bottom fifth of households, 99 percent pay more in payroll than income taxes. Low-income families also pay federal excise taxes and state and local taxes, which are discussed further on the next page. While the Earned Income Tax Credit offsets these taxes for many working poor families, many families with incomes modestly above the poverty line who would not benefit from the Bush plan are net taxpayers.

Consider two types of families earning $25,000 a year in 2001, an income level President Bush has used in some of his speeches, including his first radio address to the nation about his tax package. In this radio address, the President used the hypothetical example of a waitress who is a single-mother with two children and earns $25,000 a year and indicated her family would be a prime beneficiary of the tax cut. The figures suggest otherwise.

A single mother with two children and income of $25,000 would pay $3,825 in payroll taxes (again, counting both the employee and employer share) and lesser amounts in gasoline and other excise taxes. The family pays various state taxes as well. The family would receive an Earned Income Tax Credit of $1,500, well under half of its payroll taxes.

As a result, even if just payroll taxes and the EITC are considered, the family's net federal tax bill would be $2,325. Nonetheless, this family might receive no tax cut under the Bush plan. If this single-mother waitress pays at least $170 a month in child care costs so she can work and support her family—an amount that represents a rather modest expenditure for child care—she would receive no tax cut under the Bush plan despite having a significant net tax burden. (The amount of child care costs affects the calculation due to the interaction between the dependent care credit and the child credit. If she had no child care costs, she would qualify for no dependent care credit and would receive a modest income tax cut, though it would be far below what she owes in payroll taxes.)

A two-parent family of four with income of $25,000 would not receive a tax cut under the Bush plan, whether or not the family has child care costs. For such families as well, their payroll taxes exceed their EITC by $2,325.

2. Low and moderate-income families in every state pay state and local taxes, often paying a larger percentage of income in such taxes than higher-income families. Families with incomes below or near the poverty line bear substantial state and local tax burdens. These taxes commonly include sales taxes, excise taxes on such items as gasoline, property taxes (passed on by landlords to tenants in the form of increased rent), various tax-like fees, and sometimes state or locality-specific taxes such as local taxes on wages. In addition, many states have income taxes that tax families at much lower income levels than the federal tax does. The Institute on Taxation and Economic Policy estimates that state and local taxes altogether equal anywhere from eight percent to 17 percent of the income of an average low-income married couple, depending on the state. Furthermore, these burdens are inequitably distributed; in almost every state, lower-income families pay a larger share of their incomes in state and local taxes than higher income families.

Although some states have taken steps to reduce the burden of taxes on low-income families in recent years, they are limited in their ability to do so. States that for many years have levied the sales, excise and property taxes that are most burdensome on the poor cannot simply eliminate those taxes without dramatic effects on state budgets. In addition, it is cumbersome for states to target relief to poor families that are burdened by these taxes. For example, the sales tax is collected by merchants from consumers without regard to their income level, and property taxes are passed through from property owners to renters as part of a rent payment. Moreover, states with higher levels of poverty often have the least fiscal resources with which to pay for tax relief for low-income families.

These state and local taxes that poor families pay often help finance federally required services or joint federal-state programs. For instance, state contributions to Medicaid typically are financed in whole or in part by general fund taxes such as state sales taxes and excise taxes. Similarly, state contributions to federal highway construction often are financed by gasoline and other motor vehicle taxes. In part because these and other federal programs rely on state and local taxes, it can be appropriate for the federal government to administer tax relief that helps offset the burden of those taxes.

3. An additional income boost would further the objective of helping working families lift themselves out of poverty. A key theme of welfare reform has been to prod, assist, and enable families to work their way out of poverty. The principle of helping families work their way out of poverty has gained support across the political spectrum. This principle is important for married families and single-parent families, and there is considerable evidence that welfare reform—in combination with a strong economy, low unemployment rates, and the EITC—has significantly increased employment rates among single mothers. Providing increased assistance to the working poor through the tax system could further the goal of ''making work pay.''

Such assistance is particularly important since much of the recent gain in the earnings of the working poor has been offset by declines in other supports. For example, from 1995 to 1999 the poorest 40 percent of families headed by a single mother experienced an average increase in earnings of about $2,300. After accounting for their decrease in means-tested benefits and increases in taxes, their net incomes rose only $292. (Both changes are adjusted for inflation.)

In addition, a study the Manpower Demonstration Research Corporation recently released finds that improving income—and not just employment—is important if the lives of children in poor families are to improve. The MDRC report examined five studies covering 11 different welfare reform programs. The report's central finding was that increased employment among the parents in a family did not by itself significantly improve their children's lives. It was only in programs where the parents experienced increased employment and increased income that there were positive effects—such as higher school achievement—for their elementary school-aged children.

4. The Bush approach fails to reduce the high marginal tax rates that many low-income families face. Throughout the campaign and early into the new Presidency, President Bush and his advisors have cited the need to reduce the high marginal tax rates that many low-income working families face as one of their tax plan's principal goals. They have observed that a significant fraction of each additional dollar these families earn is lost as a result of increased income and payroll taxes and the phasing out of the EITC. Yet a large number of low-income families that confront some of the highest marginal tax rates of any families in the nation would not have their rates reduced at all by the Bush plan

Analysts across the ideological spectrum have long recognized that the working families who gain the least from each additional dollar earned are those with incomes between about $13,000 and $20,000. For each additional dollar these families earn, they lose up to 21 cents in the EITC, 7.65 cents in payroll taxes (15.3 cents if the employer's share of the payroll tax is counted), and 24 cents to 36 cents if they receive food stamp benefits. They lose additional amounts if they receive housing assistance or a state child care subsidy on a sliding fee scale, or if they are subject to state income taxes. Their marginal tax rates are well above 50 percent. The Bush plan does not reduce these rates.

Ways to reduce marginal tax rates for such families are available and not especially expensive. One approach is to raise the income level at which the EITC begins to phase down as earnings rise and/or reduce the rate at which the EITC phases down. Bipartisan legislation that Senators Rockefeller, Jeffords, and Breaux introduced last year follows such a course, as does another proposal made by Rep. Ben Cardin. Another way to lower marginal rates would be to expand substantially the existing, very limited refundable component of the child credit.

5. The rewards from the surplus should be spread throughout the population. The Bush tax plan would take most or all of the surplus that is projected to occur over the next ten years outside Social Security and Medicare. Democratic leaders have proposed substantially smaller but still significant tax cuts. If tax cuts are to be provided as one of the principal uses of the surplus, as seems likely, it is appropriate to dedicate some portion of those tax cuts to people with the most pressing needs, such as low-income families with children.

Mr. CASTLE. Mr. Speaker, I rise today in strong support of H.R. 3, ''The Economic Growth and Tax Relief Act of 2001.'' This $958 billion proposal to reduce income tax rates over the next ten years represents the center piece of President George W. Bush's tax plan for the American people. It also represents a very fair form of tax relief because it does not give tax relief to special interests. Instead, it gives money back to every American who paid more in income taxes than is necessary to operate the Federal government. All working Americans of every income level deserve to have some of their tax dollars returned to them. I congratulate President Bush for his leadership putting tax relief for every American ahead of special interest groups. This proposal demonstrates his commitment to changing the culture in Washington, D.C.

The rate reductions in this bill would cut rates for taxpayers from 15% to 10% on the first $12,000 a couple earns; 15% for income from $12,000 to $45,200; from 28% or 31% to 25% for income from $45,200 to $109,250; and from 36% or 39.6% to 33% for income above $109,250. In addition, the plan adjusts the Alternative Minimum Tax to protect taxpayers from being penalized for claiming the child tax credits they are promised under the tax code.

In recent months, there has been much discussion about the fairness of tax cuts. When one looks beyond the rhetoric of class warfare, there is strong evidence that President Bush's tax cut proposal is truly fair. When the tax cut is fully implemented, families earning less than $18,000 [the bottom quintile (0%–20%) of income earners in this country] will see their after-tax income rise 1.1%. With the Earned Income Tax Credit program they receive an income tax credit without paying federal income taxes. It is also important to keep in mind that we will continue to fund an important array of federal programs that provide assistance to low-income Americans. More than $3.7 trillion in federal funds will be spent over the next ten years on programs that are intended to help low-income Americans. We must help low-income Americans and we will continue to do so.

Mr. Speaker, taxpayers in my state of Delaware are large contributors to the Federal Government. Delawareans receive only 84 cents in return for every tax dollar they pay to the federal government. I am proud that I come from a successful and well-run state. However, when their federal taxes will help create a true budget surplus of $2.7 trillion, it is proper for Delawareans to ask for some share back so they can use their hard-earned money to help their families and keep their local communities strong. According to one estimate, the rate reduction in this bill could return $3.8 billion to Delawareans as a whole. These funds will be invested in ways to create jobs and keep Delaware's economy strong and growing—helping all families.

The tax relief under this plan is intended to help lower income Americans. Families earning less than $35,000 [income earners representing second quintile (21%–40%)] currently pay 0.5% of all federal income taxes. Under President Bush's rate reduction plan, their after tax income would rise 1.5%. In fact, if the President's child tax credit is enacted in addition to this rate cut, a married couple with two children living on one income, will pay no income taxes on the first $39,000 they earn.

Will the highest income taxpayers continue to pay their fair share? Yes, and a larger percentage of federal taxes as well. Taxpayers at the top 10% of income levels, these families earning more than $140,000 currently pay 61.3% of all federal income taxes. This is up from 57.3% in 1988. The reason is that in 1990 the top income tax rate was raised from 28% to 31%. Then, in 1993, it was raised again to 39.6%. The justification cited at that time was that these funds were needed to reduce the federal budget deficits. Those deficit spending days are gone and taxpaying families that shouldered the extra burden for the last decade also deserve some tax relief. Instead of returning the top income tax rate to 28%, President Bush's plan reduces it to 33%. Upper income taxpayers will continue to pay the largest portion of federal taxes, but they will receive some tax relief.

Apart from the question of fairness, is the question of the overall size of the tax cut and the soundness of the assumptions upon which the surplus projections rest. $958 billion over the next 10 years falls within the range of tax cuts that both Republicans and Democrats believe is reasonable within the projected $2.7 trillion surplus. However, 10-year surplus projections are inherently uncertain. One only needs to look at projections from a few years ago that predicted budget deficits. I support additional steps to ensure we achieve the predicted surpluses and continue to reduce the national debt.

One safeguard that should be considered is a trigger on the phase in of future tax cuts and new spending. Like Federal Reserve Chairman Alan Greenspan, I support adding a trigger that would delay the phasing in of these tax rate reductions if the surplus does not materialize as projected and the national debt is not reduced. Contrary to some interest groups' political spin, a trigger does not raise taxes. I also note that Chairman Greenspan's support for tax cuts is conditioned upon this surplus materializing. He still believes that debt reduction is the first priority. I agree with his views that debt reduction, used as a tool to decrease the interest many Americans pay on credit care debt, home mortgages, and education loans, is the best way to bring financial relief to our country and spur economic growth.

Mr. Speaker, even though this initial tax relief legislation does not contain a trigger, I still support its passage for three reasons. First, I recognize that this is the beginning of the 2001 tax debate, not the end. There will be other opportunities to improve the final budget and tax legislation and I look forward to that discussion with you. Second, the Federal Government has a spending problem. In budget negotiations with the previous Administration, there was a serious lack of fiscal control in both parties. Spending increases far exceeded the rate of inflation. If this were sustained, there would not be room in the surplus for a tax cut or debt relief. Third, triggers on tax cuts represent only half the story. Those who have listened carefully to Chairman Greenspan note that he supports both a trigger on tax cuts and on long-term spending. During the upcoming budget debate, there will be opportunity to discuss the value of a trigger on both spending and tax cuts. I believe Americans need to hear both sides of this story.

Mr. Speaker, again, I am proud to support ''The Economic Growth and Tax Relief Act.'' It meets the tests of fairness by providing meaningful relief to all income levels. It is fair and brings relief to my state of Delaware. Its size is compatible with debt reduction goals. Finally, it sends the proper message to Washington, D.C. that broad-based tax relief is more important than ever-increasing levels of government spending. I will continue to work to ensure that the ultimate tax relief and budget legislation is fair to all Americans, protects the surplus and pays down the debt. I look forward to this effort.

Mr. UDALL of Colorado. Mr. Speaker, I regret that I cannot support this bill—but I am convinced that to vote for it today would be a serious mistake.

In fact, we should not even be considering the bill today. We have not yet even begun consideration of an overall budget resolution, let alone reached an agreement with the Senate on a budget framework.

We have not had a chance to weigh how this bill or any other bills to reduce taxes would affect other important priorities, including continued progress in reducing the publicly-held debt, strengthening Social Security and Medicare, and investing in our schools, our communities, and our country.

We do not yet have a complete budget proposal from the President, but already we can see he is proposing to make room for his tax bill by cuts in other areas, including important research and development programs. And the bill before us today is only the first installment on the President's plan.

That is why the law says, and what is provided for by the House's own rules. But that is not what we are doing—we are waiving the rules, so that we can rush to pass this bill before we have a chance to consider how—or whether—it would fit with every other part of the budget.

It may be politically important for the new Bush Administration to rush this process, but it is not a responsible way to make budgetary decisions that may have profound consequences for future generations of Americans. That is the way the budget process is supposed to work. That is not the way any family in America would go about making a budget, and it is not how we should go about doing our jobs either.

That is why I voted against the resolution to waive the normal rules and bring the bill to the floor today.

But since the Republican leadership insisted on going forward, regardless of the normal rules and common prudence, we should have at least proceeded more cautiously and with a better focus.

That is why I voted for the Democratic substitute—because it was the more prudent alternative.

Mr. Speaker, Colorado is an arid state. If you come to visit us in the summer you will find it is sunny almost every day. We like it that way, and do so our summer visitors. But that means we have to be careful about water. We watch the snowpack carefully, and we work to conserve water so we will be prepared for a dry season. We know how hard it is to accurately forecast the weather, and how risky it would be to drain our reservoirs prematurely because of a long-range forecast of surplus water in coming years.

And, Mr. Speaker, it is just as risky to rely too much on long-range forecasts of future budget surpluses—as the Republican bill does.

The Democratic alternative took a more cautious approach. The Democratic alternative would have lowered taxes for everybody, by lowering from 15 percent to 12 percent the tax on the first $10,000 for a single taxpayer, the first $18,000 for heads of households, and the first $20,000 for married couples filing jointly. It also would have addressed the ''marriage penalty'' by allowing married couples filing jointly twice the standard deduction used by single filers. And it would have adjusted the alternative minimum tax (AMT) to assure that all taxpayers who pay income taxes would receive the benefit of its reduction in rates and that everyone eligible for the Earned Income Tax Credit and the child credit would receive the full benefit of those provisions of the law.

But it would not have gone as far as the Republican bill to slow reduction of the publicly-held debt. It would not have gone as far to reduce our ability to strengthen Social Security and Medicare. I would not have bet as much on a 10-year forecast of good economic weather. In short, the Democratic alternative would have provided real tax relief for millions of Americans, without the same risks to the economy as the Republican bill.

It is very important that we continue on the path of fiscal responsibility and pay down the public debt, which will mean lower interest rates, lower mortgages, and lower student loan payments. That is first-class tax relief.

Today, my first choice would have been for us to first debate an overall budget resolution under normal rules, so that we could carefully frame real, substantial tax reductions in the full context of the debt and other important priorities. My second choice was to support the Democratic alternative.

The Republican leadership rejected both those courses and have left me only with the choice of an irresponsible vote or a vote against this bill.

That means I have no responsible choice except to vote no, and hope. I hope that the Senate will take a more cautious, responsible course than the Republican leadership here in the House. And I hope that the result will be a sounder, more balanced bill that all of us can and should support.

Mr. SANDLIN. Mr. Speaker, I want to take a moment to talk about today's vote on tax cuts and in so doing lay out what I believe is a responsible and balanced approach to fiscal policy. We have heard a great deal from the Republican Leadership and the Bush Administration about the importance of passing massive tax cuts now. Last week, the President came to this chamber to make his case for tax relief and I must say I found myself agreeing with a great deal of what he said. I support tax fairness for America's working families. We need tax relief and I support lower taxes—including complete repeal of the Federal Estate Tax and elimination of the Marriage Penalty.

It is, however, because of my desire to enact significant tax relief coupled with the fact that I am interested in working with President Bush on the items in his agenda, that I am so disappointed in how the Republican Leadership has chosen to proceed. To pass any massive tax cut without first setting a budget framework is simply irresponsible and does not set a positive tone. Debating, voting, and passing a budget resolution that balances the priorities of Congress and the President is not an argument about process or rules. Rather, it is the foundation from which all subsequent debates between Congress and the White House follow. To act on a tax proposal before enacting, let alone debating, a budget framework severly restricts Congress's ability to address other priorities, particularly strengthening

Social Security and Medicare and paying off the national debt.

The submission of a budget blueprint by President Bush setting out how he proposes to balance priorities within an overall budget is an important first step. Congress should take the next step of adopting a budget resolution that balances the President's priorities with those of Members of Congress in both parties. The large projected surpluses by the Congressional Budget Office (CBO) are as tempting to squander on new spending programs as on passing a massive tax cut. We must remember that it was not that long ago official forecasts predicted crushing budget deficits, which would make today's debate over the size of a tax cut seem reckless. A budget resolution, therefore, puts Congress on record to adhere to set spending levels. Rushing ahead with tax cut legislation before we have reached an agreement on a fiscally responsible budget framework that honestly balances all of the tax and spending priorities of both parties would be irresponsible and could have severe negative consequences for the budget and the economy.

A bipartisan budget is imperative because the budget sets the tone and tenor for the year, the Congress, and this administration. President Bush has spoken often of the need to change the tone in Washington and his early actions demonstrate a commitment to bipartisanship. As a member of the Blue Dog Coalition, a group of Members who support enacting a fiscally responsible budget plan, we have asked the President to insist that Congress consider a budget resolution before tax cuts. I am disappointed that to date all we have gotten from the White House is a budget outline, short on specific budget figures. Silence from the White House has lead us to where we are today—voting on a massive tax cut before anyone fully understands how such a measure impacts the budget. By putting the cart before the horse and passing a tax cut before a budget is in place, the President has squandered an opportunity to capitalize on the goodwill of his first few months in office.

Although I am disappointed by the handling of today's debate by the House leadership, I still believe that Congress can work together to pass significant tax relief. I ask my colleagues on the other side of the aisle to stop playing politics with tax cuts. The American people deserve tax relief; however, they expect Congress not to abandon the sound fiscal policies and risk a return to deficits. We can provide affordable tax cuts, strengthen Social Security and Medicare, and pay off the national debt, but we must be careful not to squander this momentous opportunity through irresponsible fiscal policy.

Mr. HOLT. Mr. Speaker, I strongly support the alternative tax cut package put forth by Congressman RANGEL and oppose the package by the President and the majority in the House.

People in New Jersey pay too much in taxes. That's why I have been one of the few Democrats in Congress who has been willing to cross party lines to vote for eliminating the estate tax, to vote for eliminating the marriage penalty, to vote for cutting taxes for small businesses, and to vote for cutting taxes for senior citizens. It's why I have pushed for tax breaks that will help local communities keep their property taxes low by helping with the costs of school construction. And it's why I have consistently supported making permanent job-producing tax credits like the Research and Development Tax Credit.

The Rangel tax cut proposal deserves our support. It cuts the tax rates for hard pressed New Jerseyans, adjusts the Alternative Minimum Tax, and expands the child tax credit for families with kids. It undertakes all of these tax cuts in a responsible way while protecting Social Security and Medicare, paying down our debt, and saving part of the budget surplus in the event of a ''rainy day.''

H.R. 3, the bill the majority has brought before us today, is simply too large, too irresponsible and based on projections that are just too uncertain.

The authors of this bill have rushed it to the floor without knowing what the rest of the budget holds. And they are basing their bill on financial projections that may or may not materialize. High tech forecasters can't predict the weather two days away as we have been reminded when forecasts earlier this week called for a historically large snowfall in New Jersey that never materialized. But supporters of H.R. 3 are betting that we can accurately predict the financial weather a decade from now. It is worth noting that economic projections that were made just three years ago have proven to be trillions of dollars off the mark. One can only guess how accurate these ten-year projections might be.

Parents in my central New Jersey district don't bet their children's financial future on rosy scenarios, and castle-in-the sky projections. They sit around the kitchen table and budget their bills, their income and their anticipated expenses. They make tough choices. They don't squander a lot of money to buy a lavish vacation home, counting on a raise the breadwinner hopes to get in future years, without first figuring out how to pay the medical bills, send their children to college and save for retirement. They expect from us the same type of honesty and responsibility when we make budget decisions that affect their families.

When this proposed tax cut is combined with the other elements of President Bush's entire tax plan, it costs well over $2 trillion, after adding in interest on the debt and other hidden costs. The entire available surplus is just $2.7 trillion. Spending that much of the surplus—that is, the projected surplus—is simply irresponsible. It leaves no room for the other important priorities that our nation faces. And it is a recipe for huge budget deficits.

My constituents elected me to make decisions based on evidence, not partisan ideology. And the evidence is that this bill is all too likely to throw our economy into the same financial ditch that President Bush's Secretary of Treasury, Paul O'Neill, admits President Reagan's 1981 tax cut put the country in. Republicans and Democrats alike have labored long and so hard to pull us out of that ditch. Let's not repeat the mistakes of the past.

This plan is also unfair. It gives 45% of the tax benefits to the top 1%—those with an average income of $1.1 million—and fails to give a single dime to more than 12 million low- and middle-income families with 24 million children. We can do better than that.

By arriving at a tax cut in a responsible way and making sure that we can continue to pay down the national debt, we can generate confidence among investors and consumers, ensure lower interest rates, and put more money in the pockets of almost all Americans than they would get from the proposed tax cut.

Together, I know that we could come together to pass a responsible tax cut for Americans. But this bill is not responsible, and it has not been crafted in the bipartisan, civil way that President Bush has asked us to behave.

Let me also say that, like most Americans, I have been greatly encouraged by President Bush's promise to change the tone in Washington by ending the excessive partisan warfare in this city. It pains me to see that pledge undercut at the very beginning of the President's term. The Administration and the Leadership should not rush through on a partisan basis legislation embodying the President's top priority, without consulting with Democrats. They should work together with me and others in the minority who support tax cuts to craft a bipartisan, responsible tax cut.

I urge my colleagues to support the Rangel tax cut and oppose H.R. 3.

Mr. CUNNINGHAM. Mr. Speaker, I rise today in support of H.R. 3, the Economic Growth and Tax Relief Act of 2001. The plan that we are considering today reduces to 12% the current 15% tax rate on the first $12,000 of taxable income for couples ($6,000 for singles) to get money in the hands of those who need it most. The new rate is applied retroactively to January 1, 2001. This plan also consolidates by 2006 the current 5-rate tax structure (15%, 28%, 31%, 36% and 39.6%) into four new rates (10%, 15%, 25%, and 33%). This legislation is an important first step in returning tax overpayments to the American people.

The American people are working harder than ever, and they are spending forty percent of their income in federal, state, and local taxes. I think that it is unconscionable that families are paying more in taxes, than for food, clothing, and shelter combined, and that four months of every year, taxpayers are working to pay the federal government. The Congressional Budget Office (CBO) has estimated that over the next ten years, Washington will collect a $5.6 trillion tax surplus. Taxpayers are sending us more than we need—and there is no doubt in my mind that if we don't return it, that money will be spent. It is time to return that money and let the American people spend their own money to meet their own needs.

When we return this tax surplus to American families, they will see more than just the benefit of a refund check. I am concerned that our economy is slowing down—consumer confidence, capital investment and growth are down, while layoffs, energy prices and anxieties are up. We need to give the economy a boost, and any credible economist can tell you that tax cuts will do that. So not only will the American people get their overpayment back, but they will also reap the benefit of a rejuvenated economy that will enhance their prosperity.

I look forward to working with President Bush and my colleagues in the House and Senate to build on this important first step to return the tax surplus to the American people. I rise today in support of H.R. 3, and also to voice my support for President Bush's other tax refund initiatives which include doubling the child tax credit, reducing the marriage penalty, eliminating the death tax, expanding the charitable tax deduction, and making the research and development tax credit permanent.

Mrs. CAPPS. Mr. Speaker, today I voted to cut taxes for all Americans. And I voted in support of fiscal responsibility.

I believe we need to cut taxes and have voted to do so repeatedly during my short time in Congress. At a minimum, we should lower overall tax rates, fix the marriage penalty, and reform the estate tax laws.

But tax cuts must be done in the context of an overall budget framework that will allow us to meet other pressing priorities. And we must remember that much of this surplus is still only a projection—it's not money in the bank.

We must continue paying down the $3.4 trillion national debt. Our progress in debt reduction has kept interest rates down and allowed families to pay less for their homes and cars. We must also ensure the long-term solvency of Social Security and Medicare, provide prescription drug coverage for our seniors, improve education and protect our environment.

The proposal I voted for today will allow us to do all these things, while providing tax cuts for all taxpayers.

I fear that the tax cut bill being pushed by the House leadership and President Bush is too big and won't allow us to accomplish these other important goals. I also fear that it could open the door to a new era of runaway deficits that would cripple our economy. And I am disappointed that the House leadership has chosen to bring tax cuts to a vote before we have a budget in place.

The prosperity we have enjoyed over the last decade has produced the record surpluses we have today and are projecting for the future. Let's take advantage of this moment and give American families the tax relief they deserve. But let's not squander this opportunity by passing irresponsible tax cuts that our families, and our nation, can ill afford.

Mr. CHAMBLISS. Mr. Speaker, our government is too big and spends too much money. Americans are over taxed and being asked to pay too much to the federal government. Tax relief is about freedom. Freedom for American families to save, spend or invest as they see fit. Tax relief is about returning dollars and decisions back home to families in Georgia and across the country.

Americans will send $5.6 trillion more to Washington over the next ten years than is needed to run the federal government. Some of these funds will be locked away to ensure that Social Security and Medicare are strengthened. Some of these funds will go toward reducing the national debt. And some of these funds will be spent on important priorities such as education, prescription drugs, and strengthen our military. But the rest of the federal budget surplus should be returned to the American people in the form of tax relief. Working Americans deserve relief now.

We worked hard over the past few years to enact tax relief for American people but were stymied by the previous president. President Bush has shown leadership in putting forward a plan that helps relieve the tax burden on working families, and I am pleased that we now have an opportunity to provide a refund to those people who work hard everyday to make the greatest country in the world productive.

The President's plan is balanced and fair; it reduces inequities in the tax code while at the same time providing for long term economic growth. This bill today will give tax relief to all taxpayers and return decision making power to families who know best how to spend their money.

I urge my colleagues to join me in supporting this bill because it is simple and fair and will provide powerful incentives to save and invest.

Mr. GILMAN. Mr. Speaker, I rise today in strong support of H.R. 3, the Economic Growth and Tax Relief Act of 2001.

H.R. 3 represents the first vote on a key component of the new President's campaign agenda; tax relief for American families. This legislation begins this process by providing for across-the-board reductions in the marginal rates of the Federal income tax.

Under H.R. 3, the current 15 percent rate would be reduced to 12 percent on the first $12,000 for couples and the first $6,000 for single filers. This provision would be applied retroactively to the beginning of 2001.

The bill further reduces and makes adjustments to rate brackets over the next five years, so that by 2006, the current five brackets (15 percent, 28 percent, 31 percent, 36 percent and 39.6 percent) would be replaced by four lower brackets set at 10 percent, 15 percent, 25 percent and 33 percent respectively.

Mr. Speaker, this House passed a number of important tax reduction bills over the past two years, only to see them fall victim to presidential vetoes. We are now in a position to break this pattern and offer real tax relief for hard working American families. It is refreshing to know that we now have a partner in the White House who is willing to work with us in achieving this goal, rather than dredging up the tired old class warfare excuses not to enact real reductions.

This change in political climate could not have come at a better time. After years of sustaining high levels of growth, the economy took a sharp downturn in the 4th quarter of last year. While it does not appear that it has slipped into recession, this possibility cannot yet be discounted. Given this, as well as the fact that the long-term budget surplus estimates continue to exceed expectations, it makes sense to use a tax cut to help boost our economy.

I have always strongly supported the premise that everyone who pays income taxes should benefit from an income tax cut. Therefore, I believe that this legislation to reduce the marginal rates across-the-board is appropriate. The higher rates were sharply raised in 1993 to help reduce the budget deficit. Since then, this increase accomplished what it set out to do. At the time there was no reason to believe that those tax increases were intended to be permanent. Given our current growing surplus, it is inappropriate not to repeal them.

This point cannot be overstated. Our Nation is currently enjoying a budget surplus, above and beyond the surplus provided by the Social Security Trust Fund. Over the next ten years this surplus is expected to substantially increase.

For those who cite the inaccuracies of long term projections as a reason to oppose tax cuts, it bears noting that the Congressional Budget Office is using very conservative numbers for economic growth assumptions in formulating these projections. The rate of economic growth has exceeded similar projections over the past five years, and should it continue to do so in the future, the size of the surplus will only grow.

Moreover, the last five years have shown that the Congressional Budget Office (C.B.O.) has consistently underestimated the level of economic growth and the size of the surplus. My colleagues may remember that the budget was not supposed to initially go into a surplus until 2002. The changeover actually occurred in 1999, three years early.

Yet, despite the President's assurances to the contrary, there are those on the other side of the aisle who charge that this tax cut is risky and reckless. Yet history has shown the minority's definition, and the numbers behind it, have shifted dramatically. In 1999, they charged that any tax cut over $250 billion was reckless. During last year's campaign, the Democratic candidate stated that any cut over $500 billion was risky. Now, less than four months later, the minority is willing to cut taxes by $900 billion, far more than the risky tax bill this House passed in the First Session of the 106th Congress.

Finally, it bears mentioning that whenever taxes have been cut, be it marginal rates or capital gains, tax receipts have subsequently grown. This has occurred despite the alarmist predictions of the opponents of tax cut reductions. If history is any guide, tax receipts will increase after this bill becomes law. When tax receipts increase, so does the surplus.

Accordingly, I urge my colleagues to support this tax reduction legislation.

Mr. HINOJOSA. Mr. Speaker, I am here today because I am greatly disturbed by the irresponsibility being displayed by the Republican Leadership in Congress today.

I cannot believe that the rules of Congress and the People have been violated once again, and now—we are going to vote on a tax cut before we pass a budget.

No family or business would make a decision that would have a major impact on their finances for the next ten years without first sitting down and working out a budget to figure out what they can afford. We owe it to the citizens of America to apply that same common sense principle to the Nation's budget and its security.

I am further outraged that the plan the Republicans have offered gives the lions share, 43 percent, of the peoples surplus to the wealthiest one percent and ignores the majority of the hard working Americans who greatly contributed to the creation of the surplus.

This outright robbery is further perpetuated when one realizes that most Americans will not be impacted by the tax cut, especially not the $25,000 a year waitress that the President speaks of with such conviction.

For this reason, I ask you to pass a measure that utilizes common sense and provides for all American families and American workers. This can only be done by passing the Rangel Amendment, an amendment that takes care of our families and our future.

The Rangel measure that cuts taxes responsibly and for everyone by increasing the earned income tax credit and helping our married families get tax relief.

Let there be no mistake; today we stand at a crossroad with two paths:

The first gives the surplus to the wealth for expanded purchases of luxury items. The second gives Americans the extra funds needed to live a better life. If a decision is to be made today, I hope we make the right one.

Mr, KNOLLENBERG. Mr. Speaker, passing H.R. 3, the Economic Growth and Tax Relief Act of 2001 is simply the right thing to do.

Whenever the federal government collects taxes, it takes money away from hard-working American people. The government isn't entitled to that money. It's the people's money and the government takes it away. We, as Members of Congress, have a responsibility to ensure the government doesn't take away any more than it needs.

Over the next ten years the federal government is expected to run a surplus of approximately five and a half trillion dollars. In other words, the federal government will be taking away from the American people five and a half trillion dollars more than it needs to pay its bills.

This is simply wrong. people need their money to pay their bills, put food on their tables, send their children to college, plan for their retirement, and meet all of the other challenges they face every day.

Under the President's plan, we will send a mere 30 percent of that tax overpayment back to the people who work hard to earn their money. Not the entire tax surplus, just 30 percent of it. And the legislation we're debating today is even less than that—roughly 17 percent.

Mr. Speaker, passing this bill is not only the right thing to do; we have a fundamental responsibility to do it for the people we represent.

This bill will increase fairness in the tax code, allow every American income tax payer to keep more of their own money, and provide support to our economy at a critical time.

I urge all Members to do the right thing tonight and vote in favor of this legislation.

Mr. ALLEN. I rise in opposition to this excessive, unfair Republican tax cut that will block our best opportunity to improve our education and health care systems for years to come.

Abraham Lincoln lifted America's spirits by calling on ''the better angels of our nature.''

President Franklin Roosevelt inspired a nation to set fear aside. President Kennedy and others asked for sacrifices to enhance the common good.

But the rallying cry of the Bush Administration is different: ''It's not the government's money. It's your money.''

What a shriveled up vision of what the American people care about! We are better than that.

This tax cut is a clarion call for more spending on luxury goods by the wealthiest Americans.

Those earning over $300,000 per year can buy a Lexus every year with this tax cut. Those earning about $35,000 would have difficulty getting a muffler.

This tax cut slams the door on spending for the common good.

To those seniors who cannot afford their prescription drugs, this bills says forget it, you're on your own.

To those students, teachers and parents who know that our schools need full funding of special education, this bill says forget it, you're not a high priority.

To the baby boom generation not that far from Medicare and Social Security, this bill says forget any help from general revenues any time soon.

The Democratic alternative is half this size and is fair to middle income Americans.

A tax cut half this size would allow us to put the medicines they need in the hands of our seniors.

A tax cut half this size leaves room to fully fund 40 percent of the special education mandate we imposed on the states.

A tax cut half this size leaves room to shore up Social Security and Medicare instead of privatizing both for the benefit of insurance companies and brokerage firms.

The American people want and deserve lower taxes, but not a cut so large that seniors still cannot afford their drugs, our kids are stuck in inadequate schools, and baby boomers lose confidence in Social Security and Medicare.

I urge my colleagues to reject this bill.

Mr. TOM DAVIS of Virginia. Mr. Speaker, I rise today in strong support of H.R. 3, the Economic Growth and Tax Relief Act of 2001.

The U.S. economy is currently experiencing a slowdown. In order to fend off a further downturn or recession, it is imperative that Congress act quickly to breath life back into the economy. By reducing income tax brackets retroactively to the beginning of this year, H.R. 3 provides immediate tax relief by decreasing withholding rates. This will result in an infusion of cash into the economy—up to $360 for a married couple in 2001—that our economy urgently needs. Some say that it is reckless to bring a tax relief bill to the floor of this body before we have adopted a budget resolution. I disagree. Rather, I commend Chairman THOMAS for recognizing the fact that undue delay would deaden the positive, restorative effects that lowering marginal rates would bring. Furthermore, this being a bicameral legislature, we must wait for the other body to do their part on this bill. It is even more imperative, then, that we spur them on by doing our work expeditiously. Before a final conference report comes before us, we will have the benefit of a budget resolution. But if we wait for the final budget resolution before we begin the process, the tax cut could lost its stimulative effect on the economy. We have a choice: Either take the necessary steps to return our country to the positive growth, or bring the danger of recession ever closer through indecision and delay.

H.R. 3, is only the first step in bringing tax relief to the American people. There are other areas of the tax code that Congress must fully address—the marriage penalty, the alternative minimum tax, higher savings levels for Individual Retirement Accounts, and the death tax; however, those must wait for a later date. Our focus now must be on keeping the economy healthy, keeping Americans working, keeping small businesses open, and ushering more and more people into the middle class through the prosperity that has blessed this country in recent years. Across-the-board cuts affect withholding rates now and give an immediate stimulus to the economy.

Finally, reducing marginal tax rates is an issue of fairness. I believe that is simply wrong that the government currently takes away up to 40 percent of an individual's income—and much more when other taxes are taken into account. We must encourage enterprise. We must encourage savings. Our policies must reflect the oft-touted belief in the American Dream that through hard work and sacrifice one might build a better life—not become the object of higher government tolls and the subject of vilification merely because of success. I have heard from many of my constituents who would be positively affected by the relief this bill would bring. They are not the ''idle rich.'' They are individuals and couples who have mortgages to pay. They are parents trying to pay for their children's educations. They are making car payments. They are the people who tirelessly serve our federal government. They are the entrepreneurs whose small businesses are at the core of the high-tech revolution that has fueled our economy's growth over the past several years. I can assure you that they do not live lives of ease as has so often been portrayed by opponents of this plan. They deserve to get a small portion of the money that they have overpaid to the government back. It was their hard work and sacrifice that rescued the government from the massive debt it had accumulated over years of bloated excess. Now that they need a helping hand, we must not abandon them. I urge my colleagues to support this bill.

Ms. PELOSI. Mr. Speaker, as a Member of the Appropriations Committee, I am particularly concerned about the impact of the Bush tax cut on the overall federal budget. We must not sacrifice investments in education, infrastructure and health, which make our economy stronger, in order to provide excessive tax cuts.

In 1981, President Reagan passed a major tax cut, increased defense spending drastically, and supported cuts in investments in the American people. His policy marked the beginning of the worst economic downturn since the Great Depression and quadrupled the national debt.

Over the last eight years, the Clinton Administration has eliminated the budget deficit but we still have a $3.5 trillion national debt. Interest payments on the debt alone cost the United States more than $200 billion a year. A lower national debt means lower interest rates, lower mortgage payments, lower car payments, lower credit card payments, and more jobs. Paying down the national debt will put the U.S. government in the best possible position to meet the Social Security and Medicare needs of future generations, when the retirement of the ''Baby Boom'' generation places a significant strain on the federal budget.

Nearly $3 trillion of the $5.6 trillion projected surplus is supposed to be dedicated to Social Security and Medicare. Are the Republicans going to take those funds from seniors to pay for their tax cut? Increased debt service, farm payments, extending expiring tax credits, and emergency defense and non-defense spending will also need to be accounted for in a responsible budget.

Unfortunately, the Republican majority has jammed this tax cut through before we even have a budget resolution. Therefore, we are forced to have this debate without any budgetary framework. However, we do know that of the nearly $2 trillion of the surplus that remains after we protect Social Security and Medicare, funding a tax cut must compete with providing a prescription drug benefit for seniors and the modernization of our schools, two of the top priorities of the American people. Do we want to underwrite an unaffordable tax cut at the expense of our children's education and our seniors' and veterans' health?

I urge my colleagues to oppose the Bush tax rate plan.

Mr. COSTELLO. Mr. Speaker, I rise in opposition to the $1.6 trillion tax cut package proposed by President Bush as well as the Democratic substitute that will be voted upon today with the Bush tax cut plan.

I believe that the Congress can and should pass legislation giving tax relief to the American people. That is why last year I voted to eliminate the death-inheritance tax and the marriage penalty. Unfortunately, President Clinton vetoed both bills. However, when these bills come back before the Congress in this session, I will vote to again eliminate the inheritance tax and the marriage tax penalty.

The Congress can and should give tax relief to the American people after President Bush lays out his spending plan to the Congress and the American people and after we put a mechanism in place to adjust the plan if revenue projections prove to be wrong.

Most of us remember the 1981 tax cut proposed by President Ronald Reagan and approved by the Congress cutting taxes for the American people with the promise that the tax cut would help the economy and balance the federal budget within three years. Then candidate George Herbert Walker Bush called the Reagan plan voodoo economics. Republican Senator Howard Baker called the Reagan plan a river boat gamble. Unfortunately for the American people, George Herbert Walker Bush and Senator Baker were right.

In fact, taxes were cut but spending continued to increase and the American people saw two decades of huge budget deficits and saw the national debt explode to $5.7 trillion. President Reagan and the Congress were successful in cutting taxes but not holding down spending.

Last week, former Chairman of the House Ways and means Committee Republican Bill Archer said that if anyone believes that we will have a surplus eight or ten years from now with this tax cut plan is ''hallucinating''. Others have questioned the ability of this President and this Congress to control spending. They fear a repeat of the Reagan years with taxes being cut and spending continuing to increase resulting in a return to the days of huge deficits that will hurt interest rates and the economy.

Today I intend to vote against the Bush tax cut plan as well as the Democratic substitute. I believe that we should force the President to lay out his spending plan so that we can see how the President intends to fund critical programs important to the American people like Social Security, Medicare/Medicaid, national defense and other important programs. After the President lays out his budget to the Congress and the American people then we should bring a tax relief package before the Congress that is realistic and that has a mechanism that directly ties tax cuts to controlled spending and the amount of revenue that will come to the federal treasury each year.

Mr. Speaker, today we should reject both the Bush tax plan and the Democratic substitute and come back to pass a bill that gives tax relief to the American people later this spring after the President lays out his detailed budget to the American people.

Ms. SOLIS. Mr. Speaker, I rise today in adamant opposition of H.R. 3, the Economic Growth and Tax Relief Act which was proposed by President Bush.

In the past few months, the Bush Administration has desperately tried to convince the American public that their planned tax cuts are fair, that their tax cuts rightfully return money to those who have paid the most, that their tax cuts will help spur our economy.

Evidently, the Bush Administration's attempts have failed. In a Los Angeles Times poll released today, the majority of Americans support the alternative Democratic tax bill—and for good reason. The public is not gullible. No matter how you skew the numbers, no one can deny that the richest Americans stand to gain the most from this plan, while virtually no money will be returned to the working poor.

In addition, the public understands that our projected budget surplus is not stable; we need to pay down our deficit and not repeat the disastrous tax policies of the 1980's which plunged us further into debt. President Bush wants us to risk slashing funds for Social Security, housing, health care, environmental protection and a slew of other vital programs for the sake of making the rich even richer. How can these cuts possibly better our society?

Under President Bush's proposal, the richest one percent of the U.S. population will receive more in tax cuts than the bottom 80 percent of the population combined. This high-income group pays 20% of all federal taxes, yet they would receive at least 36% of the tax cuts under the Bush plan. That means that the amount in tax cuts that these individuals would get back would be nearly double the share of federal taxes that they pay.

On the other hand, the bottom 40 percent of tax filers, a group that makes up a significant population in my district, will only get four percent in tax cuts—an average of about $115. Moreover, 12 million low and moderate income families will get absolutely nothing in return—that is almost one-third of all families in the United States and includes 24 million children.

Among African-American and Hispanic children, the percentage rises to over 50% who will not see one penny of the Bush tax cut. Even the much hyped increase in the child tax credit from $500 to $1,000 would not assist those who need it the most. How can President Bush justify increasing the income required for families to qualify for this child tax credit to $200,000, rather than expanding the Earned Income Tax Credit for those struggling families who can barely feed their children?

This tax plan grossly neglects the needs of honest, hard working citizens whose toil and sweat are the source of America's greatness. Where is the support for the seniors and veterans of my district who helped create the surplus that we are squandering today? This plan proposes an estate and gift tax repeal—a tax which, according to some figures, would go to only the top 5% of the country's population! Yet, our seniors and veterans, who dedicated their youth to the growth of our nation's wealth and security, will receive no specific tax cut whatsoever. They will have to be content with insufficient assistance from federal programs that are in danger of being cut due to President Bush's exorbitant tax reductions.

The bottom line is that the Republican tax plan is bad policy. President Bush's proposal does nothing but deplete our hard earned surplus for the benefit of those who need it the least. I vehemently urge my colleagues to act responsibly and block this disastrous measure from becoming law.

Mr. OTTER. Mr. Speaker, I rise today to voice my strong support for H.R. 3, the ''Economic Growth and Tax Relief Act of 2001.'' This bill will ease the terrible yoke of federal taxation that is crushing the people of Idaho and the rest of the United States. I am proud of President Bush for proposing this bill, proud of our House leadership for bringing it to the floor so quickly, and proud to say that I will vote for it.

This bill takes the common sense view that taxpayers deserve their money. The people of Idaho can better prioritize what to do with their hard earned money than bureaucrats in Washington, D.C. Passing this bill says that we trust the people in the states. We trust hardworking people. They are smart enough to make the money. Aren't they smart enough to spend it?

By reducing the number of tax rates and the rate of taxation this bill will lower our record high tax burden. Right now America pays more of its GDP in taxes than it ever has in peacetime. Currently Americans are paying Uncle Sam more in taxes than they spend on food, clothing, housing, and energy costs combined. This legislation provides a fair, needed refund of tax overpayments to all Americans. It is a great first step.

It is a first step, but not the only step. Farmers and small businessmen in my state are looking forward to repealing the estate tax. Without estate tax repeal the money we return to the American people today will only be stolen from their heirs. Our farmers and small businessmen are already suffering from drought, electricity shortages and record low commodity prices. The least we can do is say ''If you are successful, your children can inherit what you worked for.''

The people of Idaho are waiting for us to pass lower, fairer taxes to help them in their time of need. The people of America are waiting for us to pass lower, fairer taxes to get the economy moving again. Let's vote for the Economic Growth and Tax Relief Act and give the people what they want.

Ms. KILPATRICK. Mr. Speaker, today I rise in strong opposition to the tax proposal submitted by President Bush. I do so for many reasons, none of which are founded on the ''myth'' so blatantly pushed by the President, that the Democrats are engaged in class warfare.

We are not here to engage in warfare between the rich and the not-so-rich. We are here today to preserve those things which most of us here in Congress have fought so hard to promote over the course of the past 8 years. We are here to maintain the fiscal discipline that has given us unprecedented prosperity in good times. We are here to maintain the fiscal discipline necessary to insure that in uncertain times, the nation does not slip into recession.

Today we should be mindful of the state of the nation back in 1992. Just a little more than 8 years ago we saw an economy that was faltering. Unemployment peaked at nearly 7%, as layoffs spread throughout the land. Consumer confidence was low. In the political arena fingers were pointed in all directions. President George H.W. Bush's administration blamed the voodoo economics of the previous Reagan era. Democrats agreed. The Republican faithful argued that the excesses of the Democrat Congress resulted in the sharp economic downturn.

In this context, former President Bush chose to do what he believed was the responsible thing. He chose to raise taxes—and he suffered the consequences. He suffered the scorn of his political opponents, but more importantly, he suffered the scorn of the majority of the Republican establishment. Although he was trying to do the responsible thing and mitigate the increasing federal deficit, he violated the cardinal rule for which Republicans claim to stand. He violated that often repeated Republican refrain, that ''God created Republicans to cut taxes''—not increase them.

Well today we stand before the American people because President George W. Bush faces a choice similar to the one his father made: whether to do the responsible thing, or to do what history has so vividly illustrated is the wrong thing to do. I am sure his father's experience resonated prominently in his decision to forward this tax proposal we consider today. His father made a tough choice to increase taxes. Former President Bush chose to counter the policies of his predecessor, Ronald Reagan, whose history I am sure also resonates prominently in President Bush's decisions today.

After all, President Reagan drastically cut taxes during the 1980's and he is revered by the Republican establishment. Republicans loved his execution of Republican ideals and credit him with the restoration of hope and optimism to the American people. Most importantly, however, in the Reagan lesson, is the fact that he was reelected for a second term.

Today, I stand here to remind the American people of the cost of Mr. Reagan's policies. I come from the city of Detroit. I represent a population that was devastated in many ways by the policies of the Reagan administration. I watched as services critical to my city's youth were cut. No longer were funds made available for successful after school programs. Budgets for parks and recreation stagnated, leaving few alternatives for youth activity. The loss of these benefits soon led to the feelings of despair and desperation. Drugs plagued the inner city and the introduction of crack cocaine into our neighborhoods devastated the community. Today the City of Detroit is still digging out from the plague of crack-cocaine in the 1980s.

I point this out to say there are consequences to this tax-proposal—both in economic, and most importantly, in human terms. Sure I am for a tax cut. I am not, however, for irresponsibility.

I ask the American People to reflect on what we consider here today. Today, there are projected surpluses of approximately $5.6 trillion. Of this amount, $2.5 trillion in attributable to the Social Security Trust Fund and $.4 trillion or $400 billion is attributable to the Medicare Trust Fund, leaving the Non-Social Security, Non-Medicare Surplus at $2.7 trillion.

President Bush has proposed a tax-cut across all income brackets. The cost of which is $1 trillion dollars not including other tax proposals he plans to introduce. If we include these other proposals, the tax cut could cost anywhere from $1.6 trillion to upwards of $2 trillion.

Additionally, the Joint Committee on Taxation, a bipartisan committee on taxation, recently released estimates that show that the true cost of President Bush's Proposal exceeds the cost listed in the Administration's Budget. Their study also shows that the cost of remedying the problems associated with the Alternative Minimum Tax would increase to $300 billion over 10 years under the Bush proposal. This would raise the cost of the Bush tax cuts to nearly $2.5 trillion over the next ten years. This would mean that only $200 billion dollars of the surplus would remain for other national priorities.

In order to put this in perspective, I would like to point out that the cost of the proposed national missile defense system is estimated to be nearly $30.2 billion. Improving the lives of our military personnel is estimated to cost nearly $100 billion. We do not know the cost of privatizing a portion of Social Security, or other increases in spending promised by President Bush during the campaign. And even after we address these concerns this bill does not even consider the cost of reforming Medicare, the cost of a prescription drug benefit (estimated at nearly $200 billion) or the cost of addressing this nation's education needs.

I would also like the American people to ask themselves a question. Would you in your own personal finances write checks based on money that you did not have in your account? I would bet that most Americans would never be so careless with their expenses and the expenses of their families. So how can we today afford to be so careless with surpluses that are not yet in treasury accounts?

Nor would you spend money for a vacation, or new car, without looking at how such an expenditure would affect the rest of your budget. You would not go out and buy a car knowing that the payment may prevent you from being able to pay your rent or mortgage. Yet here, we will not have the opportunity to debate the full budget in Congress prior to voting on this tax bill. Forget about the fact that by law (the Congressional Budget Act) Congress must pass a budget before it passes tax breaks.

We were told that the President's priority was education. You would think that as a body, we would consider education legislation first. Today we see the true priorities of the administration and the leadership of this Congress. President Bush and the Republican leadership tell the American people that they care about education, yet they war willing to pass a tax cut that may jeopardize that very priority. Don't be surprised if we later learn that in order to accommodate today's tax cut, we must make sacrifices in education and other national priorities.

I do not stand here today to criticize without offering a credible alternative. Moreover, I would like the public to know that there are a number of alternative proposals from both Democrats and Republicans. However the leadership, through the rules committee, has limited the consideration of many of these proposals—this all in the so called spirit of transparency and bipartisanship.

Do not be led to believe that Democrats do not believe in tax relief. There is an alternative Democrat tax-cut proposal. The Democrat proposal is a simple budget plan that directs ⅓ of the Non Medicare, Non-Social Security surplus towards a tax cut, ⅓ toward our national priorities like education and a prescription drug benefit and ⅓ of the surplus to paying down the national debt. This tax cut is responsible in its scope and addresses the other priorities expressed by the American people. More importantly, the Democratic alternative would provide tax relief where tax relief is needed most—to the working families of this country.

Ms. BALDWIN. Mr. Speaker, I rise today in strong opposition to H.R. 3, the Economic Growth and Tax Relief Act. This $958 billion tax cut, which is part of a larger $1.6 trillion tax cut package, does not focus relief on those who need our help the most.

I support responsible tax cuts for working families, which is why I am voting for the substitute being offered on the floor today. The substitute offers marriage penalty tax relief, and provides larger refunds to low and middle-income families with children.

Two weeks ago I held listening sessions across the Second District of Wisconsin. I heard from many who are struggling to pay their bills. Some showed me their prescription drug receipts as evidence for the increasing costs they must pay. Others told me about the tremendous increases in their home heating bills, which have jumped dramatically due to the recent increases in the price of natural gas and other energy sources.

Many of the families I heard from during my listening tour do not make enough money to benefit substantially from this tax cut plan. Some have incomes so low they do not owe federal income taxes. Those families would receive nothing from the tax cut proposed in H.R. 3. Other middle income families will receive very small tax cuts that pale in comparison to their increased expenses.

In addition to the fact that many middle and lower income families would not benefit substantially from this legislation, the magnitude of this tax cut would limit resources that could go to programs to address their very real needs. I believe a tax cut this large puts at jeopardy the funds needed to add a Medicare prescription drug benefit. This means that the seniors I represent will not see adequate relief in addressing their health care needs. If this tax cut is passed, the Low Income Heating and Energy Assistance Program (LIHEAP) could face a freeze on its level of funding, or even worse, a cut. This would be devastating for people with low incomes in my district who are confronting enormous heating bills during this frigid Wisconsin winter.

Today's tax-cut legislation does not address the needs of families struggling to pay their increasing bills every month. Those who genuinely need relief will not receive the real fruits of this legislation. We must place a higher priority on a tax cut that provides relief to those who need it most. We must pass a responsible tax cut that does not jeopardize the fiscal health of this nation.

Mr. STARK. Mr. Speaker, I vehemently oppose President Bush's tax cut plan and encourage my colleagues to do the same.

I did not support the bill in the Ways and Means Committee markup because the House has not adopted a budget; the tax cut is one piece of a larger tax plan that imperils Social Security and Medicare; the bill leaves no room for more deserving priorities like a Medicare prescription drug benefit for seniors and better education for our children; and it provides far greater tax breaks to wealthy Americans—like members of Congress—than it does to the vast majority of working families.

A prudent family who has just experienced an increase in their annual salary would not run out to buy a yacht before they figure out how much debt they have on their credit cards, whether or not they're saving enough for the kids' college education, and if their retirement savings plan is in order. Likewise, Congress is acting irresponsibly by not setting spending priorities before blowing all our forecasted resources on a massive—not requested—tax cut.

President Bush did not send Congress a budget proposal. He sent Congress a blueprint for disaster dressed up in partisan rhetoric. The Bush ''budget'' is merely the rationale for a bloated tax cut. There are also some $20 billion in domestic spending cuts for next year alone that the President has yet to detail in his budget. These cuts could result in fewer cops on the street, less relief for over-crowded schools, less research and development for alternative energy, and reductions in federal emergency assistance.

Nor, does the President take into account all of the obligations that Congress is required to calculate when we devise a real budget. Congress is forced to account for an increase in population and therefore an increase in spending programs. Congress must account for additional interest on the debt when the debt isn't paid down and instead spent on a $2.5 trillion tax cut. Congress must account for the annual tax extenders that are renewed every single year. However, this Administration seems to think itself immune from taking into account these real costs to the federal government. This Congress isn't remotely ready to debate—much less vote on—a nearly $1 trillion tax cut which is only the smaller portion of an eventual $2.5 trillion tax cut.

President Bush is attempting to persuade the American public that his number one priority is education and that he also wants to protect Medicare and provide a new prescription drug benefit in the program. This is a blatant attempt to mislead America's seniors and parents alike.

The $2.4 billion in education spending increases pales in comparison to the $2.6 trillion cut the President plans to give primarily to the wealthiest Americans. The Administration's budget blueprint calls for a 12% increase in education spending. But once again, this figure is completely misleading. Bush calculates $2.1 billion in funds that Congress already provided for 2002 appropriations and already designated for specific education programs. You can't truthfully count these funds twice.

Likewise, the President is double-counting on Medicare and Social Security. His rhetoric states that he's protecting the Medicare and Social Security trust funds. In fact, his budget raids both trust funds—that Congress has consistently voted to put into a ''lock box'' to be used only to extend the solvency of Medicare and Social Security—as a resource to fund the wrong-headed priorities of his budget.

Because of the overwhelming size of the tax cut he's proposing, he also fails to provide the necessary resources to create a Medicare prescription drug benefit. Make no bones about it—the funds don't exist in President Bush's budget to provide seniors with an adequate and affordable Medicare prescription drug benefit. And, his use of the Trust Fund to finance other parts of his budget could imperil the program's future.

Finally, the President attempts to sell his tax package to the American people by advertising it as an economic stimulus. The problem with this misleading advertisement is that the entire tax plan isn't fully phased in until 2006. Most economists agree that most of the tax relief that has been promised by the President won't take effect until the economy has recovered.

I want my constituents to know the real substance of what I am about to vote on. This rate reduction tax bill is a small part of a larger problem. There is no real budget in place that spells out the realities of our spending priorities. The bill before us today sets up the federal government for increasing deficits. The tax benefits of this bill—which are wrongly directed to disproportionately assist the wealthy—arrive too late to provide any real stimulus for the economy. This will then force Congress to make drastic cuts to the programs that low and middle-income workers rely on like Medicare, Social Security and quality public education. It is unfair to leave our children with the burden of our federal debt so that the GOP can give away trillions of dollars to America's wealthiest taxpayers. I urge my colleagues to vote no on H.R. 3.

Mrs. CHRISTENSEN. Mr. Speaker, I rise in strong opposition to the Bush Tax cut plan and in support of the Rangel Democratic Substitute because H.R. 3 is misguided and just plain wrong. The Democratic proposal, however, would provide immediate and fair tax relief, while not threatening the surplus that so many of us worked hard to make possible.

Instead of following the law which requires that a budget be passed before tax cuts, the Republican Leadership has decided to ignore the law and rush to the floor a tax cut proposal which if it is adopted, will preclude us addressing some of the critical needs of the people of this country.

By the President's own admission, this tax cut is designed to make sure there is no money for spending; meaning they would take this unprecedented surplus and unique opportunity to secure our future and do good for those who need it most, and give it away to those who need it least.

Regardless of what my friends on the other side of the aisle say, Mr. Speaker, independent organizations report that an estimated 12.2 million low and moderate income families with children—31.5 percent of all families with children—the majority of them headed by hard working adults, would not receive any tax reduction at all.

That means primarily African Americans and other people of color. We won't benefit from the tax cut, that is clear. But what is the President talking about when he says he wants to cut government spending?

Today, with the sure passage of the Bush tax cut, the House begins the first step in dismantling all of our hard work and the progress that we have made in education, health care, housing, economic opportunity and the many other needs of our constituents.

He is in essence, talking about leaving many Americans, especially Black and Hispanic behind.

He is talking about inadequate spending for education, the issue Americans care about most. But others will talk about that.

He is talking about closing the doors of economic opportunity. For example, he proposes no New Markets initiative, a program that would be the first ever by SBA to actually provide the venture capital needed in our communities so that our constituents can open a business, create jobs, and pull our communities out of economic distress.

The Bush tax cut will also mean that 45 million Americans will continue to be without health insurance, and that HMO's will continue to make profits by denying care. It also means that over 25 million seniors will still be denied prescription drug coverage, and that Americans living in the territories and others living in the states will be denied access to health care because Medicaid will be cut so that those who are in the top 10% of incomes in this country can get more.

Mr. Speaker, we applaud the almost $3 billion increase for research, but African Americans, Latino Americans, native Americans, and Asian and Pacific Islanders need health care now.

I need not remind you, my colleagues, that health care is a right not a privilege—not for some, but for all.

We have the resources today to right many of the negative commissions and omissions of the past. On behalf of the people of this country, we must insist that President Bush and the leadership of this Congress not to squander our wealth, but invest it in the people of this nation instead.

Today portends not to be America's finest hour. But there is still an opportunity to help her live up to her legacy by passing the Democratic Substitute.

Under the Democratic Substitute, a new 12% tax bracket would be created, giving an across the board rate cut for all Americans and overwhelmingly benefit middle income taxpayers. Additionally, and most importantly, the Democratic alternative will give those working families who only pay payroll and federal excise taxes a refund through expansion of the Earned Income Tax Credit.

Finally, the Democratic alternative would provide families with children who earn less than $65,000 within most cases larger tax breaks than under the Bush proposal.

My colleagues we must tell the President and the Congress: ''No tax cut until our Seniors are secure, our children have access to a quality public school education, and until everyone—everyone—has access to quality health care.''

Mr. BALLENGER. Mr. Speaker, President George W. Bush and the Republican Congress understand that we can achieve our budget objectives while providing this long overdue tax relief—while, simultaneously, protecting Social Security, Medicare and retiring the public debt. My constituents share this vision, and have written the following to me in support of our efforts:

''The bottom line is, we are a low to moderate income working class family with a college age daughter. We pay huge amounts of income tax in comparison to our net worth and earnings, and we do not qualify for any assistance. $1,600 is a lot of money to us. Let us keep more.''

''Two of our children are in college while the other two are still at home. My husband and I both work. I prepare the payroll at my job and see how much is withheld from every paycheck. The American people already pay too much in taxes.''

''We are not in the top half or the bottom—we are caught in the middle. We get no extra help, nor do we want any, but we pay one-third of our income in taxes. Please help.''

''Please remember Mr. Ballenger, it's our money.''

''As a mother of three, I feel this package would greatly help our family and allow my husband and myself to better provide for our children.''

''As a Navy retiree and the father of two school age children, I would greatly benefit from this refund of my 'overpayment' of taxes.''

''It really does not matter to me if Bill Gates gets a big enough tax refund to buy himself a whole fleet of Lexus cars, my only concern is what I'm going to do with my tax refund.''

"Please hold the Democrats accountable for their distortions about the Reagan-era tax cuts—remind them of the late 70's under a Democrat president and the inflation of that time."

My colleagues, let's vote for H.R. 3, the first installment in our tax relief agenda.

Mr. STUPAK. Mr. Speaker, unfortunately I am not able to vote on this issue because of a prior family commitment. With all that has happened to my family in the past nine months, this was a commitment I vowed to keep!

In our current times of economic surplus, and in light of Federal Reserve Chairman Greenspan's recent statements, I am in favor of tax cuts and believe that we need to use this opportunity to return money to hard-working Americans. Furthermore, with some signs of an economic slowdown, I hope that we can examine ways that a tax cut can act quickly to boost the economy. However, I cannot support President Bush's tax cut plan; it is simply too expensive and too speculative, will jeopardize vital programs such as Social Security and Medicare and will prevent us from taking aggressive action to reduce our nation's outstanding debt.

President Bush's $1.6 trillion tax cut package will actually cost more than $2 trillion when other hidden costs are taken into account, such as the costs of making it retroactive and additional interest costs of the national debt. This is simply too expensive. It leaves no room to ensure the future solvency of Social Security and Medicare, to reduce the debt and to account for future budgetary needs, such as our children's education or a prescription drug benefit for our nation's seniors.

I believe we must plan responsibly. Our first priorities must be to use the surpluses to protect Social Security and Medicare and pay down our national debt. In addition, we must leave room for the budgetary needs that inevitably occur, be they unforeseen needs for emergency relief, or because of an increase contained in the budget that President Bush has indicated he will propose. It is important to note that while Republicans in the House are rushing to vote on this issue, the Senate has indicated that it will hold off on any tax cut votes until the President's full budget is set forth. As any business or family would do, Congress needs to know its budget before determining how much it can afford to spend on a tax cut. The President has not yet offered Congress a complete budget to review. When he does so, we can rationally study this issue.

Furthermore, the current projected surplus is just that, a projection, and we cannot recklessly spend it, even with the best intentions. I would not plan my own family's budget that way, and I will certainly not invest the nation's future that way. As Chairman Greenspan said, "We need to resist those policies that could readily resurrect the deficits of the past and the fiscal imbalances that followed in their wake."

With responsible planning, I believe that we can promote the priorities of paying down the national debt, protecting our seniors' retirement and health security, and enacting tax cuts. I want to work in a bi-partisan manner with the president and members of both parties on Capitol Hill to pass a sensible budget that includes tax relief for America's working families. Unfortunately, this is not the approach being taken by the President and the Republican leadership; therefore, I oppose this package.

Mr. BEREUTER. Mr. Speaker, this Member rises today in support of H.R. 3, the Economic Growth and Tax Relief Act of 2001, a bold and fair tax relief plan that will reduce the inequities of the current tax code and help ensure that America remains prosperous. This measure will reduce taxes for everyone who pays income taxes, and it will encourage enterprise by lowering marginal tax rates.

This Member would also like to thank the gentleman from California (Representative BILL THOMAS) the Chairman of the Ways and Means Committee for his efforts in bringing H.R. 3 to the House Floor as it provides tax relief to all hardworking taxpayers. However, this Member must lament the fact that, in what appears to be a partisan decision, none of the Minority Members of the Committee were willing to support refunding these surplus tax dollars back to the people who paid the taxes—our constituents.

This Member strongly believes that some considerable portions of the Federal budget surplus should be returned to the American taxpayer, especially to middle income Americans. And, this Member also believes it is symbolically and financially important to use part of the surplus to at least make significant reductions in the national debt. Therefore, this Member is pleased to support the President's common sense plan that funds our nation's top priorities, pays down our national debt and gives tax relief to every taxpayer. Overcharged taxpayers deserve some of their own money back. It is interesting to note that in the first four months of fiscal year 2001, the surplus generated $74 billion. Clearly, the American people are being taxed too much.

In fact, Federal taxes are at the highest peacetime rate in history. Americans currently pay more in taxes than they spend on food, clothing and housing combined. This year, it will take most Americans more than four months of paychecks to pay their tax burden.

This Member is supportive of this tax cut because George W. Bush is President and we have a Republican Congress to check truly excessive levels of Federal spending. The legislation will help strengthen our economy, create jobs, and put money back in the pockets of those who earned it and need it most.

The measure provides immediate tax relief by reducing the current 15 percent tax rate on the first $12,000 of taxable income for couples ($6,000 for singles). A new 12 percent rate would apply retroactively to the beginning of 2001 and also for 2002. The rate would be reduced even further to 10 percent as follows; 11 percent in 2003 through 2005 and 10 percent in 2006. The reduction in the 15 percent bracket alone provides a tax reduction of up to $360 for couples in 2001 ($180 for singles), increasing to as much as $600 for couples in 2006 ($300 for singles).

Furthermore, in accordance with President Bush's income tax rate reductions, H.R. 3 reduces other income tax rates and consolidates rate brackets. By 2006, the present-law structure of five income tax rates (15 percent, 28 percent, 31 percent, 36 percent and 39.6 percent) would be reduced to four rates of 10 percent, 15 percent, 25 percent and 33 percent. No American will pay over one-third of his or her income in income taxes.

This Member supports the reduction in the tax rates provided in H.R. 3 because the bill reduces taxes for all Americans who pay income taxes, spurs economic and job growth for all Americans and provides an average of $1,600 in tax relief for the average American family (family of four) phased-in over a 5-year period. The $1,600 amount represents the average mortgage payment for almost two months, one year's tuition cost at most community colleges, and the average gasoline costs for two cars for one year.

The legislation will also begin to address the growing problem of the alternative minimum tax by repealing the current-law provisions that offset the refundable child credit and the earned income credit by the amount of the alternative minimum tax. In addition, it should be remembered that this is only the first element of the Bush tax plan—additional tax relief is in sight for married couples and others that will benefit from more targeted tax cuts.

According to the non-partisan Joint Committee on Taxation, savings to taxpayers over ten years would be $958 billion under the provisions of H.R. 3.

In closing, Mr. Speaker, this Member would like to express his appreciation to our President, George W. Bush, for his willingness to steadfastly "demand a refund" for the American taxpayer. This Member urges his colleagues to support H.R. 3 as an important step toward tax relief for all Americans.

Mr. COYNE. Mr. Speaker, I rise in opposition to this legislation. I oppose this bill because it is irresponsibly large. I also oppose this legislation because it does not provide enough of its tax relief to working- and middle-class households. And I oppose it because we shouldn't pass a major tax bill before we pass a budget.

In my opinion, Congress shouldn't pass a major tax cut until we see how it affects the rest of the Federal budget. We received an outline of the President's budget plan only last week, but even this outline has caused me great concern. This document raised as many questions as it answered.

Normally, Congress doesn't take up a tax bill until after it has passed its annual budget resolution. The whole point of the process laid out under the Budget Act of 1974 was to avoid making decisions about major tax and spending proposals piecemeal—but, rather, to make major decisions about taxes and spending as part of the annual budget process. I strongly believe that abandoning this process is a recipe for disaster. It could well undermine future efforts to address pressing national problems like paying down the national debt, keeping Social Security solvent, creating a Medicare prescription drug benefit, improving education, fighting crime, and preserving our environment.

I am concerned that if we pass the tax cuts that the President is proposing, we might not have enough money left to pay down the national debt, keep Social Security and Medicare solvent, and pay for important Federal priorities like education and health care—especially because the surpluses that he is counting on to pay for his tax cut don't exist. They are only estimates that may or may not materialize over the next 10 years.

However, I understand that the Majority in the House will approve this bill later today. Consequently, I will do what I can to limit the damage that I believe that this bill would do. I will support the Democratic substitute, which would lose less revenue than the mark—and which would result in more of the tax relief provided by the bill to low-income taxpayers, the people who need help the most. The Democratic alternative reduces the lowest tax bracket from 15 percent to 12 percent. It also contains $60 billion in Alternative Minimum Tax relief and contains $60 billion in tax relief for American working families through expansion of the earned income tax credit.

To those of my colleagues who argue that the earned income tax credit is too vulnerable to error, fraud, and abuse, I would only observe that it is remarkable that they have not expressed the same concern about the much higher error, fraud, and abuse rate for small businesses and sole proprietorships—which has been reliably estimated at 40 percent. That apparent inconsistency suggests to me that the disagreement over expanding the EITC really is a disagreement over who needs tax relief the most—and that is a debate I feel confident about winning.

To sum up, Mr. Speaker, I don't think that we should be considering this bill today. We shouldn't mark up major tax legislation until after we finish work on the budget resolution. But since the majority intends to ram this bill through the House this afternoon, I will do what I can to ensure that most of the tax relief this provides will go to the hard-pressed middle-class families that Governor Bush talked so much about during the recent Presidential campaign.

I urge my colleagues to support the Democratic substitute.

Mr. CROWLEY. Mr. Speaker, I rise in strong opposition to the Bush Republican tax cut. I oppose this misguided plan to provide tax cuts to a select few while leaving working New Yorkers holding the bag.

Though, unlike the rhetoric you have heard on the other side of the aisle—Democrats, like myself, support cutting taxes—they are too high and stifling.

I am a strong believer in tax cuts—as a married man with two infants at home, I personally know how devastating the marriage penalty tax is—and I have voted in the past to eliminate this onerous tax.

I have worked with my colleagues in both parties to eliminate the regressive tax on talking that levies a tax on every phone call you make.

And as the representative of a middle and working class district comprised of a diverse swath of neighborhoods in Queens and the Bronx, NY, I know how punitive the estate tax is on the Mom and Pop enterprises that dot my district.

Estate taxes are too high and they must come down.

I spoke out just yesterday in the Committee on Financial Services for legislation that would lower the tax burden on the investing public via taxes levied on individuals' 401(k) plans, mutual funds and retirement accounts.

So for people to claim that I, or the majority of my colleagues, are opposed to any form of tax relief is ludicrous and out right wrong. I am for tax cuts—but responsible tax cuts.

In 1993, without one single Republican vote, Congress passed an austere plan for cutting spending, raising taxes on a targeted few wealthy individuals and injecting real fiscal discipline into our economy.

The other side cried that this bill would be the death knell of the American economy—but the facts bear them wrong, again. In fact, our nation then began to see annual budget surpluses instead of deficits, deficits created mostly by fiscal irresponsibility of the Reagan and Bush White Houses.

Now, thanks to the fiscal discipline of the Democratic Party, we are in a situation where we have experienced several years of back to back annual budget surpluses with more surpluses predicted into the future.

I am proud to prove the pundits wrong and stand before you today and say the Democrats are the party of fiscal responsibility while the Republican majority has become the party of fiscal irresponsibility.

We have seen a decade of incredible economic growth and expansion. The virtual elimination of inflation and the smallest interest rates in a generation.

Unemployment went from 8 percent under the last President Bush in 1992, down to 7 percent, then 6 percent, then 5 percent and then 4 percent and then a historically low 3.9 percent—unheard of.

All the while, real incomes rose—again, something not seen during the Reagan and Bush Administrations. Home ownership skyrocketed and consumer confidence was skyhigh. but Americans didn't just spend, they invested, and the stock market exploded.

Coincidence—I think not. It was a careful economic plan worked on by the Democrats in Congress—the Republicans continually refused to work with us—and the White House as well as the Federal Reserve Bank.

Democrats cut spending and erased the deficit—all the while the percentage of income sent to the Federal government in the form of income taxes continued to decline. Now, we want to throw the gains of the most prosperous decade in American history out the door to pass a backward tax cut plan that will primarily benefit the wealthy.

Even President Bush himself says a large share of the tax cut benefits will go to the rich—finally something we can all agree on.

We are basing economic forecasts for the next 10 years on data that is as reliable as weather reports. A year ago, the Government estimated our Nation's 10-year surpluses at a little over three trillion dollars—now they ''revised'' it to over $5 trillion—Guess they forgot to carry a one. Or, instead of being a mathematical goof, these 10 year projections are very flawed. Everyone from Alan Greenspan to the CBO agrees on this point.

No family could budget itself like this, no company would dare give away bonuses based for the next 10 years under the guise of favorable 10-year projections.

But that's the way the Republicans like to think when it comes to our future—they are gambling with Social Security and Medicare. This Bush Republican plan represents fiscal irresponsibility at its worst.

In fact, the President and the Republican Congress refuse to even consider an idea of providing triggers in their tax plan in case these projected surpluses do not happen. Triggers on these tax cuts are the only sensible option to prevent us from returning to the staggering Reagan-Bush deficits of the near past.

But instead, the Republicans want the go-go parties of the 1980's to continue whereby we spend all of our children's inheritance and leave them with the bill—that stinks both economically and morally, and that is why I oppose this foolish and reckless tax cut.

Congress and the President should work together, with guidance from the Fed, to address our Nation's fiscal concerns. I believe the economic priorities of the last Administration and of the Democrats in Congress are the right ones.

The expected Federal surplus is the people's money—it is not the government's money. Therefore, these funds should be used to benefit the people.

That is why I support a budget strategy commonly referred to as ⅓, ⅓, ⅓—where our country would use ⅓ of the surplus for tax cuts; ⅓ for debt reduction; and ⅓ for increased spending.

I believe one-third of our surplus should be returned to the American people in the form of a tax cut. Not one like the President supports which would reward almost $1 trillion of his $2 trillion plan to the richest one percent of Americans—but a fair tax plan.

I support and have voted for the elimination of the marriage penalty—something that will not occur even if Congress passed the President's plan exactly as written. Using just one-third of our surplus will allow for the elimination of this onerous tax. Also we can provide families and small businesses estate tax relief.

Another ⅓ of our surplus must be used to pay down our national debt. I have two young children, I do not want them and millions of other children to inherit a multi-Trillion dollar debt because I would not provide any fiscal discipline.

That is morally and economically wrong. The past 8 years America has borne witness to the wonders debt relief and deficit elimination will have on our Nation's overall economy and growth rates—this is undisputed, regardless of what some of my Republican colleagues insist.

If a family ran its budget like the Republicans want America to run its budget, they'd be in bankruptcy court, losing everything they worked for—and this will happen to our Nation if we pass these economically foolish tax cuts. We cannot let this happen.

The other third of the surplus should be used to provide for our Nation's critical investments, such as providing a prescription drug benefit under Medicare or shoring up Social Security or providing a well deserved pay raise to the hard working men and women of the U.S. military.

In my own district I know of too many people who ration their own medications because they cannot pay for their doses.

A also support increased public investments in our nation's crumbling schools. I released a study several weeks ago showing 97 percent of the school children in my district studying in overcrowded and antiquated classrooms.

I believe our children should be introduced to the Internet and computers at a young age. It is universally noted that the Internet economy has sparked much of our Nation's boom over the last decade, and this high technology has greatly improved our Nation's economic output and productivity levels, a reason why inflation has been virtually nonexistent.

Congress can and should provide tax relief, but we should not abandon our basic values, like Medicare or Social Security, or risk the re-emergence of ballooning deficits to achieve this goal.

Democrats have a plan to accomplish this goal. This Republican bill will not accomplish this goal.

We need an economic policy for all of America—not just the richest of America.

Mr. SERRANO. Mr. Speaker, I rise in vehement opposition to H.R. 3, the so-called ''Economic Growth and Tax Relief Act of 2001''.

There is no need to rush into the tax issue today. Indeed, it is foolish to move forward with any bill cutting taxes until we can put it in the context of the entire budget. For that reason, I will not support the Democratic substitute either at this time.

Before we cut taxes, we need to know how much we will need to spend to meet national needs—education, which is top priority of the American people, Social Security and Medicare, including a prescription drug benefit, universal access to health care, a cleaner environment, more effective law enforcement, a robust foreign policy, and all the necessary activities of the Federal Government.

We need to decide how we will respond to the American Society of Civil Engineers' 2001 Report Card for America's Infrastructure, issued today, which gives our public works a grade of D+ and estimates that we will need to invest $1.3 Trillion over five years in our roads, bridges, aviation system, schools, water, waste, and energy systems.

We need to reach agreement on paying down the Federal debt to prepare for the pending retirement of the Baby Boom generation, which will place enormous strains on the Federal budget and the national economy.

Just as important, because we know that the Bush tax plan will cost far more than the $1.6 Trillion he claims, and that his budget won't add up without cuts (or deficits), we need to understand what areas of the Federal budget President Bush proposes to cut to make his numbers work. And that's assuming the ten-year surplus projections come true, which is a very risky assumption.

Apart from the timing and the lack of a budgetary context, the substance of H.R. 3 is not worthy of support.

The Bush tax proposals, those in this bill and those yet to come, are unfairly skewed away from the neediest families. The wealthiest 1 percent of the income distribution, with incomes averaging $900,000, pay about 21 percent of federal taxes but would receive 43 percent of the benefits, an average tax cut of $46,000.

Many working families, including those who pay more in payroll taxes than in income taxes, would get nothing. On Tuesday, the Center on Budget and Policy Priorities released a study which indicates that if Congress approves the Bush tax plan, an estimated 12.2 million low- and middle-income families, with 24.1 million children, would not receive any tax reduction at all.

Mr. Speaker, I represent the South Bronx in New York. There are many people in my district who work two or more jobs just to make ends meet. Just think what these families could do with some extra money. They, and low- and moderate-income families like them, need and deserve tax relief as much as anyone, and they are likely to put any money they get from tax relief into the local economy.

The Republicans keep saying the rich deserve the biggest tax breaks because they pay the most taxes. But don't forget, the rich pay the most taxes because they have the most money.

Don't get me wrong, Mr. Speaker. I believe Americans should get a tax cut, but I also believe a tax cut package should be reasonably sized, fairly distributed, and achievable within a budget that addresses national needs, especially education.

I urge my colleagues to vote against HR 3.

Mr. SHAYS. Mr. Speaker, I rise in strong support of the tax reduction legislation before the House.

We've heard a number of our colleagues come to the floor today to brand this tax cut as irresponsible. Let me state nothing could be further from the truth.

We need to put this legislation in perspective, not simply in terms of the enormous surplus projections for the next 10 years, but also in terms of federal revenue and spending over that same period.

Consider the following: over the next decade, the U.S. Government is anticipated to collect $28 trillion in taxes. We are asking that $1.6 trillion be returned to the American people.

Of the $28 trillion in revenue, total federal spending is already expected to be $22.3 trillion over the next 10 years, unless, of course, Congress finds new ways to spend taxpayers' money.

When we compare the $1.6 trillion tax package to our other commitments over the next 10 years this tax cut seems rather modest. We anticipate spending $3.6 trillion for our military; $4.2 trillion for discretionary non-defense programs; $5.8 trillion for Social Security; $3.0 trillion for Medicare; and $2.1 trillion for Medicaid.

We've heard today, like a broken record, that this is a tax cut for the rich.

The reality is this is a tax cut for those who pay taxes. If you pay taxes, you will receive a tax cut. In fact, 6 million of the lowest income earners will be taken off the income tax rolls by this legislation. They will pay no income tax.

Some of my colleagues don't want you to know that the top 5 percent of taxpayers pay more than 50 percent of personal income taxes, and the top 50 percent of taxpayers pay more than 95.8 percent. That's a very progressive tax system, and if the president's tax package is enacted, the tax code will become even more progressive.

A married couple who both work making $55,000 with two children would receive a $1,930 tax cut. Yet a similar household making an additional $20,000 would receive only $120.

Mr. Speaker, the bottom line for me remains this: if we don't return some of the $5.6 trillion in tax surplus that the U.S. Treasury is estimated to collect over the next 10 years, it will be spent and the growth in the size of government will increase.

I am convinced the natural tendency to spend more money will only worsen with annual surpluses rolling in every year.

The President's proposal is very consistent with my long-standing efforts to limit the growth of government, cut wasteful federal spending and move power, money and influence out of Washington and back to local communities where it belongs.

I am pleased to support this bill, and urge my colleagues to do the same.

Mr. LAFALCE. Mr. Speaker, I rise today in strong support of fiscal responsibility. Unfortunately, the bill before us today is not fiscally responsible, and it is also not fair. It is unfair because it will exclude millions of working families from receiving any tax relief. In my state of New York alone, one in three families will get nothing from this bill. Nearly 1 million families and 1.9 million children in New York will receive absolutely no benefit from this tax cut. And these are the poorest of our working families, those who pay substantial payroll and other federal taxes but have no income tax liability.

The bill before us today delivers fully 44 percent of its benefits to the wealthiest 1 percent of Americans. It is the first and largest installment of the President's $2 trillion tax cut plan—a plan whose tax cuts for the wealthiest 1 percent would cost more than all of the President's new spending initiatives combined; and a plan that would force us to raid the Social Security and Medicare Trust Funds. The Republican Leadership has chosen to introduce the most expensive element of the President's plan first; it is also the component that (with the exception of the repeal of the estate tax) most favors the wealthiest Americans, which seems to reflect their priorities.

In short, Mr. Speaker, this bill and the overall Bush tax plan have three glaring problems, any one of which should cause us to reject them resoundingly.

First, it is the wrong kind of tax cut, providing the lion's share of benefits to the wealthiest Americans. It does nothing for the most vulnerable taxpayers who need the most help, while providing substantial help to the wealthy who need it least.

Second, it is much too expensive and will crowd out important federal spending priorities, many of which the President himself claims to support. It will also derail our efforts to eliminate the national debt, which poll after poll shows is a clear priority for the American people.

Finally, we are putting the cart before the horse in considering this tax cut today, prior to laying out a budget for the year.

THE WRONG KIND OF TAX CUT

Promoters of this tax cut have a peculiar notion of fairness. They believe it is fair that the wealthiest 1 percent of Americans get 44 percent of the benefits from this tax cut. In the old days, they might have argued that these benefits would ultimately trickle down to the rest of America through dramatic surges in economic growth. In 1981, we were asked to suspend disbelief and watch as a tax windfall for the wealthy would supposedly bring dramatic benefits to even the poorest Americans. Of course, these benefits never trickled down and we learned an important, if obvious, lesson: a tax windfall for the wealthy is nothing more than a tax windfall for the wealthy.

Now, the Republicans are trying a different tack, arguing that the wealthy face the highest burden from taxes, so they deserve the lion's share of a tax cut. But this just isn't true. After-tax income for the wealthiest 1 percent of Americans grew by a whopping $171,000 (or 40 percent) per family over the past decade, while after-tax income for the bottom 90 percent of families grew by just $1,241 (or 5 percent) per family. In light of this growing disparity in after-tax income, it should be obvious who is feeling the real burden of taxes today, and it is not the very wealthy. Yet, working families will get little or no relief from this tax bill. Again, 1 in 3 families in my state will get zero benefit from this bill or the President's overall tax plan. And these are the very families who need the help the most—the working poor and lower middle class. The conclusion from these numbers is unassailable: this tax cut will further widen the gap between the very wealthy and the rest of America. What definition of tax fairness could possibly apply to this bill?

THIS TAX CUT WILL CROWD OUT SPENDING AND DEBT REDUCTION PRIORITIES

In his address before Congress last week, President Bush repeatedly assured us that his massive tax cut plan could easily be paid for by what was ''left over'' after meeting spending and debt reduction obligations. Now his own sketchy budget proposal shows that nothing could be further from the truth. As many of us have been warning for weeks now, the President's tax plan, and today's bill, will come at the expense of federal budget priorities and debt reduction.

The President's budget director said we would have to look long and hard to find any cuts in the budget proposal. It took me less than 30 seconds: a 20% cut at the Federal Emergency Management Agency, a 17% cut at the Environmental Protection Agency, a 15% cut at the Department of Transportation, and so on. In fact, the President's so-called ''budget blueprint'' is nothing more than a tax cut masquerading as a budget. And today's vote for the biggest piece of this tax cut is effectively a vote to slash federal programs, raid the Social Security and Medicare trust funds, and reverse progress toward eliminating the national debt.

Among the many program cuts in the President's budget, I find two areas particularly egregious. President Bush would dramatically cut the budgets of the Department of Housing and Urban Development and the Small Business Administration. I have played a lead role in the oversight of these two agencies during the past decade, and I can attest to the tremendously important work they do in serving American families and small businesses.

Yet, at a time when our affordable housing needs are growing, the proposed HUD budget would cut housing funding by $2.2 billion in real terms. Included in these cuts is the elimination of the Drug Elimination Program for public housing, as well as a $700 million cut in the public housing Capital Fund, a critical source of funds for upgrades and repairs to ensure that low income and senior citizens' housing remains safe and accessible.

The budget of the Small Business Administration would be decimated under the Bush plan, with cuts totaling over 46% next year. The President proposes to sustain the Small Business Development Centers program and the General Business Loan and Small Business Investment Company programs by raising fees or introducing new fees charged to small businesses. He is effectively proposing to impose new taxes on America's small business in order to finance his tax windfall for the very wealthy—in short, a windfall for Wall Street paid for on the backs of America's Main Streets. Worse yet, he proposes to completely eliminate key elements of the New Markets Initiative, which is successfully realizing the untapped productive potential of America's under-served communities.

I am also concerned about our ability to meet critical infrastructure needs in light of this expensive tax cut. According to the American Society of Civil Engineers, the United States must spend a staggering $1.3 trillion over the next 5 years to meet our infrastructure needs. Much of the burden of that spending will fall on the federal government, and we must be prepared for it. Infrastructure investments are desperately needed to ensure that the water we drink is clean, that the roads and bridges we drive on are safe, that we can accommodate increased air traffic and alleviate airport congestion, and that we can continue to clean up our environment.

In the City of Buffalo, alone, the critical need to fix crumbling schools will likely cost $1 billion over the next decade. Multiply this amount by the countless number of other cities, large and small, that face similar school repair needs. The needs are substantial and real, and we will not be able to meet them if we pass this bill.

Finally, there are substantial human needs, which continue to go unaddressed by the federal government. 45 million Americans continue to go without any form of health insurance. And none of 39 million senior citizens on Medicare receive any prescription drug benefit from that program, at a time when drugs offer great hope for healthier and longer lives. Again, we simply will not be able to meet these needs if we pass this bill and follow the President's path for tax cuts.

In short, in passing this bill, we are incapacitating and emasculating the federal government's ability to meet all of these pressing needs. And we are re-digging the deficit ditch, after spending a long and difficult 18 years extricating ourselves from it.

THIS TAX CUT PUTS THE CART BEFORE THE HORSE

Poll after poll indicates that the American people do not support a massive tax cut that would jeopardize federal spending priorities and debt reduction. Congressional Republicans know this, which is why they are now rushing to put the cart before the horse, by passing the President's tax plan before we even know what our budget will be for the year. Mr. Speaker, we tried this approach before, and it was a disaster. In 1981, President Reagan assured us that we could first pass a massive tax cut and then meet federal spending priorities, all the while keeping the federal deficit in check. In reality, the 1981 tax cut plunged us into a decade of mounting debt, while putting the squeeze on important federal programs.

This experience should have taught us that we cannot rely on magic asterisks and vague promises to meet federal budget priorities. It is critical that we consider tax cuts after we give serious consideration to a detailed budget for the year. In adopting the Republicans' plan, we would be turning the President's message on its head—he told us that tax cuts would be paid for by what was ''left over'' after budget priorities and debt reduction goals were met. But today, we are, in fact, moving headlong into a fiscal plan that will pay for all of the federal government's spending obligations, as well as debt reduction, out of what is left over from a massive tax cut.

Mr. BENTSEN. Mr. Speaker, I rise in strong opposition to H.R. 3, the first installment of President Bush's proposed tax cut package.

Having voted for tax cuts many times, I support an income tax rate cut, but not outside a sensible budget framework. By rushing H.R. 3 to the floor even before we've adopted next year's budget, the Republican Leadership has abandoned even the semblance of fiscal prudence. Mr. Speaker, I cannot support a tax cut of this magnitude before we have had an opportunity to engage in a full and fair debate on the competing budgetary priorities, including those of the President. The Republican Leadership has rushed the $1 trillion tax cut to the floor before deciding how much will go to debt reduction, funding the President's own spending increases, and reforming Social Security and Medicare. This is a classic case of putting the cart before the horse.

In all the euphoria over the projected budget surplus of $5.6 trillion over ten-year projection, released by the Congressional Budget Office, we run the risk of failing to continue the fiscal restraint which has brought us to this point today. In just eight years, the baby boomers begin retiring and place unprecedented stresses on Social Security and Medicare. All the major economic forecasters, including CBO, OMB, GAO, as well as independent analysts, agree that the long-term budget picture shows deficits returning in due course and ultimately rising to unsustainable levels. The Republican Leadership is today throwing fiscal responsibility to the wind for short-term political gain and are denying the lessons of the past about relying on speculative economic and political assumptions.

I also think it is irresponsible to structure a tax cut against the entire on ten-year surplus projections, the bulk of which are projected to materialize after 2006. History has taught us that it is far easier to enact additional tax cuts in future years of economic projections hold up or improve, while it is far more difficult to enact tax increases or budget cuts in the future if the projections go unrealized. CBO itself acknowledges that current projections may substantially overstate projected surpluses and has concluded that ''the estimated surpluses could be off in one direction or the other, on average, by about $52 billion in 2001, $120 billion in 2002, and $412 billion in 2006.'' While there is significant doubt about whether surpluses will be realized, the coming retirement of the baby generation is a certainty for which we must plan.

I also have serious reservations about some of the contortions in the President's Budget Blueprint. The Administration plans to dedicate $2 trillion of the surplus, attributable to Social Security Trust Fund, to debt reduction and reserve the remaining $600 billion of Trust Fund receipts for Social Security privatization.

Futhermore, the President's Budget assumes dramatic spending increases in some accounts with unrealistic spending cuts in others. In recent days, the Administration has reversed itself on some of its proposed cuts and the Republican Chairman of the Senate Budget Committee has called into question the President's discretionary budget assumptions. Finally, in recent days of hearings before the Budget Committee, we have learned that the President's proposed ''contingency fund,'' which is supposed to offset additional spending, tax cuts or unrealized surpluses, is actually not $842 billion, but less than $200 billion, once you subtract the projected Medicare Trust Fund balance and add the increased cost of the H.R. 3 over the President's estimate.

Thus, Mr. Speaker, I must oppose H.R. 3. This House is moving too fast to gain political advantage before determining how we can meet our longterm obligations, including paying down the debt.

Mr. MCGOVERN. Mr. Speaker, I rise today in strong opposition to H.R. 3, the Economic Growth and Tax Relief Act of 2001. While I strongly support giving money back to hard-working Americans and to the families that need a tax cut, this is not the right way to do it.

While current economic projections show that we might see a significant budget surplus, the projections are just that—projections. We must be very cautious with these forecasts because the money we spend today—on tax cuts or on necessary programs—will be directly drawn from the projected surplus. Before Congress and the new Administration begin spending this surplus, we must take steps to ensure that our economy does not return to the budget deficits of the 1980s and early 1990s.

There are several reasons I am opposed to and will vote against H.R. 3.

First and foremost, this tax cut does not provide the necessary relief to the people who need it most. Instead of providing tax relief to middle-income families and working Americans, this bill benefits the most affluent of Americans. The top one percent of the income distribution would receive 43 percent of the tax benefits. This means that people whose incomes average over $900,000 per year would receive an average annual tax cut of $46,000! Yet many moderate- and low-income families will receive little or no benefit.

For example, while the top one percent of income earners receive tax breaks, an estimated 224,000 low and moderate income families in Massachusetts will not benefit from this plan. 28 percent of families living in Massachusetts will not benefit from this tax cut because their incomes are too low to owe federal income taxes.

Second, the U.S. House of Representatives is considering this tax cut without having considered or approved a budget. Instead of crafting and debating a budget for the next fiscal year, the majority party has rushed this tax bill for a vote at the expense of other priorities. The budget is the framework for all spending in the next fiscal year, including tax policy. Without a budget, we are endangering important priorities like education, health care, public safety, environmental protection, Social Security and Medicare.

This tax cut is nothing more than a replay of Reaganomics—the rich will get the tax cut, promises will be made that the money the rich receive will trickle down to the rest of us, and the nation will return to deficit spending.

Instead, we should move forward with a blueprint that has provided us with record surplus projections and has allowed us to consider such vital programs as a prescription drug benefit. We must protect and extend the Social Security and Medicare Trust Funds. We must continue to pay down the debt. As we pay down the debt, the surplus will continue to grow and we will be better able to pay for the priorities that are vital to all Americans.

We must not ignore our responsibilities to all Americans by providing tax breaks to just a few. I urge a no vote on H.R. 3.

AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. RANGEL

Mr. RANGEL. Mr. Speaker, I offer an amendment in the nature of a substitute on behalf of myself, the gentleman from North Dakota (Mr. POMEROY); the gentleman from Rhode Island (Mr. LANGEVIN); the gentleman from California (Mr. HONDA); the gentlewoman from California (Mrs. DAVIS); the gentleman from Oklahoma (Mr. CARSON); and the gentleman from Missouri (Mr. GEPHARDT), the Democratic leader.

The SPEAKER pro tempore. The Clerk will designate the amendment in the nature of a substitute.

The text of the amendment in the nature of a substitute is as follows:

Amendment in the nature of a substitute offered by Mr. RANGEL:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

(a) SHORT TITLE.—This Act may be cited as the ''Tax Reduction Act of 2001''.

(b) AMENDMENT OF 1986 CODE.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

(c) SECTION 15 NOT TO APPLY.—No amendment made by this Act shall be treated as a change in a rate of tax for purposes of section 15 of the Internal Revenue Code of 1986.

TITLE I—INDIVIDUAL INCOME TAX RATE REDUCTIONS; EXPANSION OF EARNED INCOME CREDIT ASSISTANCE

SEC. 101. INDIVIDUAL INCOME TAX RATE REDUCTIONS.

(a) IN GENERAL.—Section 1 is amended by adding at the end the following new subsection:

''(i) 12 PERCENT RATE BRACKET.—

''(1) IN GENERAL.—In the case of taxable years beginning after December 31, 2000—

''(A) the rate of tax under subsections (a), (b), (c), and (d) on taxable income not over the initial bracket amount shall be 12 percent, and

''(B) the 15 percent rate of tax shall apply only to taxable income over the initial bracket amount.

''(2) INITIAL BRACKET AMOUNT.—For purposes of this subsection—

''(A) IN GENERAL.—Except as provided in subparagraph (B), the initial bracket amount is—

''(i) $20,000 in the case of subsection (a),

''(ii) 80 percent of the dollar amount in clause (i) in the case of subsection (b), and

''(iii) 50 percent of the dollar amount in clause (i) in the case of subsections (c) and (d).

''(B) PHASEIN.—The initial bracket amount is—

''(i) ¼ the amount otherwise applicable under subparagraph (A) in the case of taxable years beginning during 2001, and

''(ii) ½ such amount otherwise applicable under subparagraph (A) in the case of taxable years beginning during 2002.

''(3) INFLATION ADJUSTMENT.—

''(A) IN GENERAL.—In the case of any taxable year beginning in a calendar year after 2003, the $20,000 amount under paragraph (2)(A)(i) shall be increased by an amount equal to—

''(i) such dollar amount, multiplied by

''(ii) the cost-of-living adjustment determined under subsection (f)(3) for the calendar year in which the taxable year begins, determined by substituting 'calendar year 2002' for 'calendar year 1992' in subparagraph (B) thereof.

''(B) ROUNDING RULES.—If any amount after adjustment under subparagraph (A) is not a multiple of $50, such amount shall be rounded to the next lowest multiple of $50.

''(4) ADJUSTMENT OF TABLES.—The Secretary shall adjust the tables prescribed under subsection (f) to carry out this subsection.''

(b) ADJUSTMENT IN COMPUTATION OF ALTERNATIVE MINIMUM TAX.—Paragraph (2) of section 55(a) is amended to read as follows:

''(2) the sum of—

''(A) the regular tax for the taxable year, plus

''(B) in the case of an individual, 3 percent of so much of the individual's taxable income for the taxable year as is taxed at 12 percent.''

(c) REPEAL OF REDUCTION OF REFUNDABLE TAX CREDITS.—

(1) Subsection (d) of section 24 is amended by striking paragraph (2) and redesignating paragraph (3) as paragraph (2).

(2) Section 32 is amended by striking subsection (h).

(d) CONFORMING AMENDMENT.—Subclause (II) of section 1(g)(7)(B)(ii) is amended by striking ''15 percent'' and inserting ''12 percent''.

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2000.

(f) PROTECTION OF SOCIAL SECURITY AND MEDICARE.—The amounts transferred to any trust fund under the Social Security Act shall be determined as if this Act had not been enacted.

SEC. 102. MODIFICATIONS TO EARNED INCOME TAX CREDIT.

(a) INCREASES IN PERCENTAGES AND AMOUNTS USED TO DETERMINE CREDIT; MARRIAGE PENALTY RELIEF.—

(1) IN GENERAL.—Subsection (b) of section 32 is amended to read as follows:

''(b) PERCENTAGES AND AMOUNTS.—

''(1) PERCENTAGES.—The credit percentage, the initial phaseout percentage, and the final phaseout percentage shall be determined as follows:

''In the case of an eligible individual with:	The credit percentage is:	The initial phaseout percentage is:	The final phaseout percentage is:
1 qualifying child	34	15.98	18.98
2 or more qualifying children ...	40	21.06	24.06
No qualifying children	7.65	7.65	7.65

''(2) AMOUNTS.—

''(A) IN GENERAL.—The earned income amount and the initial phaseout amount shall be determined as follows:

''In the case of an eligible individual with:	The earned income amount is:	The initial phaseout amount is:
1 qualifying child	$8,140	$13,470
2 or more qualifying children	$10,820	$13,470
No qualifying children	$4,900	$6,130.

In the case of a joint return where there is at least 1 qualifying child, the initial phaseout amount shall be $2,500 greater than the amount otherwise applicable under the preceding sentence.

''(B) FINAL PHASEOUT AMOUNT.—The final phaseout amount is $26,000 ($28,500 in the case of a joint return).''

(2) MODIFICATION OF COMPUTATION OF PHASEOUT.—Paragraph (2) of section 32(a) is amended to read as follows:

''(2) PHASEOUT OF CREDIT.—The amount of the credit allowable to a taxpayer under paragraph (1) for any taxable year shall be reduced (but not below zero) by the sum of—

''(A) the initial phaseout percentage of so much of the total income (or, if greater, the earned income) of the taxpayer for the taxable year as exceeds the initial phaseout amount but does not exceed the final phaseout amount, plus

''(B) the final phaseout percentage of so much of the total income (or, if greater, the earned income) of the taxpayer for the taxable year as exceeds the final phaseout amount.''

(3) TOTAL INCOME.—Paragraph (5) of section 32(c) is amended to read as follows:

''(5) TOTAL INCOME.—The term 'total income' means adjusted gross income determined without regard to—

''(A) the deductions referred to in paragraphs (6), (7), (9), (10), (15), (16), and (17) of section 62(a),

''(B) the deduction allowed by section 162(1), and

''(C) the deduction allowed by section 164(f).''

(4) CONFORMING AMENDMENTS.—

(A) Subsection (j) of section 32 is amended to read as follows:

''(j) INFLATION ADJUSTMENT.—

''(1) IN GENERAL.—In the case of any taxable year beginning after 2002, each of the dollar amounts in subsection (b)(2) shall be increased by an amount equal to—

''(A) such dollar amount, multiplied by

''(B) the cost-of-living adjustment determined under section 1(f)(3), for the calendar year in which the taxable year begins, determined by substituting 'calendar year 2001' for 'calendar year 1992' in subparagraph (B) thereof.

''(2) ROUNDING.—If any dollar amount, after being increased under paragraph (1), is not a multiple of $10, such dollar amount shall be rounded to the nearest multiple of $10.''

(B) Subparagraph (C) of section 32(c)(1) is amended by striking ''modified adjusted gross income'' and inserting ''total income''.

(C) Paragraph (2) of section 32(f) is amended to read as follows:

''(2) REQUIREMENTS FOR TABLES.—

''(A) IN GENERAL.—The provisions of subsection (a)(1) and the provisions of subsection (a)(2) shall be reflected in separate tables prescribed under paragraph (1).

''(B) SUBSECTION (A)(1) TABLE.—The tables prescribed under paragraph (1) to reflect the provisions of subsection (a)(1) shall have income brackets of not greater than $50 each for earned income between $0 and the earned income amount.

''(C) SUBSECTION (A)(2) TABLE.—The tables prescribed under paragraph (1) to reflect the provisions of subsection (a)(2) shall have income brackets of not greater than $50 each for total income (or, if greater, the earned income) above the initial phaseout threshold.''

(b) REPEAL OF DENIAL OF CREDIT WHERE INVESTMENT INCOME.—Section 32 is amended by striking subsection (i).

(c) EARNED INCOME TO INCLUDE ONLY AMOUNTS INCLUDIBLE IN GROSS INCOME.—

(1) IN GENERAL.—Section 32(c)(2)(A)(i) (defining earned income) is amended by inserting '', but only if such amounts are includible in gross income for the taxable year'' after ''other employee compensation''.

(2) CONFORMING AMENDMENT.—Section 32(c)(2)(B) is amended by striking ''and'' at the end of clause (iv), by striking the period at the end of clause (v) and inserting '', and'', and by adding at the end the following new clause:

''(vi) the requirement under subparagraph (A)(i) that an amount be includible in gross income shall not apply if such amount is exempt from tax under section 7873 or is derived directly from restricted and allotted land under the Act of February 8, 1887 (commonly known as the Indian General Allotment Act) (25 U.S.C. 331 et seq.) or from land held under Acts or treaties containing an exception provision similar to the Indian General Allotment Act.''

(d) MODIFICATION OF JOINT RETURN REQUIREMENT.—Subsection (d) of section 32 is amended to read as follows:

''(d) MARRIED INDIVIDUALS.—

''(1) IN GENERAL.—If the taxpayer is married at the close of the taxable year, the credit shall be allowed under subsection (a) only if the taxpayer and his spouse file a joint return for the taxable year.

''(2) MARITAL STATUS.—For purposes of paragraph (1), an individual legally separated from his spouse under a decree of divorce or of separate maintenance shall not be considered as married.

''(3) CERTAIN MARRIED INDIVIDUALS LIVING APART.—For purposes of paragraph (1), if—

''(A) an individual —

''(i) is married and files a separate return, and

''(ii) has a qualifying child who is a son, daughter, stepson, or stepdaughter of such individual, and

''(B) during the last 6 months of such taxable year, such individual and such individual's spouse do not have the same principal place of abode,

such individual shall not be considered as married.''

(e) EXPANSION OF MATHEMATICAL ERROR AUTHORITY.—Paragraph (2) of section 6213(g) is amended by striking ''and'' at the end of subparagraph (K), by striking the period at the end of subparagraph (L) and inserting '', and'', and by inserting after subparagraph (L) the following new subparagraph:

''(M) the entry on the return claiming the credit under section 32 with respect to a child if, according to the Federal Case Registry of Child Support Orders established under section 453(h) of the Social Security Act, the taxpayer is a noncustodial parent of such child.''

(f) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2001.

TITLE II—MARRIAGE PENALTY RELIEF

SEC. 201. MARRIAGE PENALTY RELIEF.

(a) STANDARD DEDUCTION.—

(1) IN GENERAL.—Paragraph (2) of section 63(c) (relating to standard deduction) is amended—

(A) by striking ''$5,000'' in subparagraph (A) and inserting ''twice the dollar amount in effect under subparagraph (C) for the taxable year'',

(B) by adding ''or'' at the end of subparagraph (B),

(C) by striking ''in the case of'' and all that follows in subparagraph (C) and inserting ''in any other case.'', and

(D) by striking subparagraph (D).

(2) INCREASE ALLOWED AS DEDUCTION IN DETERMINING MINIMUM TAX.—Subparagraph (E) of section 56(b)(1) is amended by adding at the end the following new sentence: ''The preceding sentence shall not apply to so much of the standard deduction under subparagraph (A) of section 63(c)(2) as exceeds the amount which would be such deduction but for the amendment made by section 201(a)(1) of the Tax Reduction Act of 2001.

(3) TECHNICAL AMENDMENTS.—

(A) Subparagraph (B) of section 1(f)(6) is amended by striking ''(other than with'' and all that follows through ''shall be applied'' and inserting ''(other than with respect to sections 63(c)(4) and 151(d)(4)(A)) shall be applied''.

(B) Paragraph (4) of section 63(c) is amended by adding at the end the following flush sentence:

''The preceding sentence shall not apply to the amount referred to in paragraph (2)(A).''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2000.

The SPEAKER pro tempore (Mr. LAHOOD). Pursuant to House Resolution 83, the gentleman from New York (Mr. RANGEL) and a Member opposed each will control 30 minutes.

Mr. THOMAS. Mr. Speaker, I do rise, along with the entire Republican leadership and every Republican member of the Committee on Ways and Means and the vast majority of Republicans in opposition to the substitute.

The SPEAKER pro tempore. The gentleman from California (Mr. THOMAS) claims the time in opposition.

The Chair recognizes the gentleman from New York (Mr. RANGEL).

Mr. RANGEL. Mr. Speaker, I yield myself such time as I may consume. I would note that the gentleman from California (Mr. THOMAS) did not mention the Republican President that I assume is still trying to be bipartisan.

Mr. Speaker, as we have said, we all would like to have a tax cut. Some of us believe that it should be responsible; all of us hope that it would be bipartisan. We want it to be fair, we want it to be honest, we do not want the hidden costs, as we see with the major bill that is on this floor today.

We think that it is unfair that 44 percent of the tax bill that is before us would go to 1 percent of the taxpayers, and those other people who make over $373,000 each year. What we have done is created a new 12 percent rate bracket for the first $20,000 of taxable income; and truly, all people would enjoy some type of tax relief.

But another issue which I hope will be discussed during the debate is that Republicans like to say, if you do not pay income taxes, do not expect an income tax return. Well, for 80 percent of the hard-working people that pay payroll taxes, they think it is a tax on their income. They work hard every day, and they do not get any relief under this bill. So we do not tinker and stop the flow of the money to Social Security or to Medicare, but we do create in our substitute an expansion of the earned income tax credit, so that we would provide a cushion for these hard-working people. The Republican bill does not deal with the marriage penalty. What we do is create a double standard deduction that is twice the standard deduction that would be available to the single people.

I admit that we are concerned about the people that are in high-income States too, because under the Republican bill, the deductibility of local and State taxes will be prevented by a mechanism that is referred to as the alternative minimum tax. We raised this to the chairman, but the Republicans obviously say ''manana,'' or tomorrow, they will take care of it. They will take care of the estate taxes, they will take care of the marriage penalty, they will take care of the deficit that might result as a result of their bill.

So I am hoping that at this time we would reject the Republican bill that is before us. It is not bipartisan; it has not been discussed with us. We think that this substitute is fiscally responsible; we think it is fair; we think it is honest; and, unlike H.R. 3, we think that it warrants the support of Republicans and Democrats, and we urge our colleagues to support it.

Mr. Speaker, I reserve the balance of my time.

Mr. THOMAS. Mr. Speaker, I yield myself such time as I may consume.

Again, I guess I am just a little bit confused. I thought that what we heard for the last hour was how quickly Republicans were moving, and that we just should not really move this quickly on a tax cut. I thought I just heard my friend and colleague from New York now indicate that we are not moving in this tax bill on the marriage penalty, on the death tax, on child credit, on alleviating the alternative minimum tax; and they just wonder if we are ever going to move.

I would tell the gentleman that, just as the President in the joint session in the well said that he wanted immediate tax relief for all Americans, which we are providing today, he also mentioned that we should have a child credit increase; that we should fix the marriage penalty; that we should eliminate the death tax. And we are going to do all of those.

I look forward to working with my colleague as we go forward in putting those tax packages together. It is March, and I do apologize to the gentleman because we do not have all of those other portions of the President's plan in front of us today, but I know that we will work diligently in committee; and before this month is out, very likely, we will be able to present the rest of the President's package.

So I do take the admonition about moving quickly for the other parts of the package, and I look forward to the gentleman working with us. Today is not the day, however; and today is to pass the heart of the President's program, and that is the rate reductions, the lowering of the fundamental structure of taxes for all income tax payers. That is what H.R. 3 does, and that is why we support the bill rather than this quickly conceived, hastily thrown together substitute.

Mr. RANGEL. Mr. Speaker, would the distinguished and articulate chairman of the Committee on Ways and Means yield?

Mr. THOMAS. Mr. Speaker, I would certainly yield to the gentleman from New York on his time.

Mr. RANGEL. Well, the gentleman is not yielding then. That is parliamentary. It is impossible for him to do that. Has the gentleman from California no sense of how this House is supposed to operate? How can the gentleman yield to me on my time? I asked the gentleman to yield. That is unfair.

Mr. THOMAS. Mr. Speaker, it is my pleasure to yield 2 minutes to the gentleman from New York (Mr. HOUGHTON), a valued member of the Committee on Ways and Means, and a gentleman who understands the rules.

Mr. HOUGHTON. Mr. Speaker, I wish this were a little more evenly balanced in terms of a bipartisan approach, but evidently we are dealing with things which have been triggered by the White House, and we have to follow that route.

Look, there are certain things about the Republican bill that I do not particularly like. It is a very uncertain future. Who knows what is going to happen in 10 years? Also, there are some things in terms of child credits and in terms of a whole variety of things such as alternative minimum taxes that maybe should be considered, but there are certain things we do know. We know we are dealing with a huge surplus, a gargantuan surplus; and irrespective of what happens here in terms of the economy, we have a lot of area to play with. And it seems to me that what we want to do is to stretch and give as much as possible back to the people, where this money came from.

I used to be in business, and if one said to the stockholders and the employers in the business, look, we have been losing money for 30 years, which is exactly what the Federal Government has done, and now we are beginning to make a little bit, and what we want to do is to thank you for holding with us and we want to give you a dividend increase, we want to give you a salary increase; we are going to pay back our debts, but we are not going to pay them back all at once without taking care of you, we are going to do it in a balanced way. It seems to me that this is the whole premise of the Republican budget, and I support it.

Mr. RANGEL. Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. STARK), a senior member of the Committee on Ways and Means.

Mr. STARK. Mr. Speaker, I am so happy to follow my distinguished colleagues on the other side of the aisle from California and from New York. The gentleman who preceded me is arguably somewhat more wealthy than I am, and I think I would just like to explain in terms he and I can understand.

Mr. THOMAS. Mr. Speaker, will the gentleman yield briefly?

Mr. STARK. No.

Mr. THOMAS. Mr. Speaker, I do not believe there is any argument.

Mr. STARK. Regular order, Mr. Speaker.

It is pretty clear, because I talked to my colleagues a few months ago about why I did not intend to support removing the inheritance tax to make my children even richer than they will be, and so I am here today to explain to my colleagues in the simplest terms about what greed has done.

I know the gentleman from New York (Mr. HOUGHTON) will do far better than I will on this, but my accountant tells me that under the Republican plan, I will save $28,253.82. Under the Democratic alternative as proposed by our distinguished ranking member and the Democrats, I would save $737, a difference of $27,500.

My father-in-law is a retired teamster in San Marino, California. He has had a small business. He and people under $44,000 a year will receive $316 under the Bush plan, $289 under ours, a $25 difference. The $27,500 that my Republican colleagues are giving to Members of Congress is going to us instead of paying for a drug benefit for seniors. That is what is the issue today. The Republicans would destroy Medicare and Social Security by giving the money to the gentleman from New York (Mr. HOUGHTON) and to me who arguably do not need it and deny decent benefits to the seniors in this country. It is clear.

Mr. THOMAS. Mr. Speaker, as someone who clearly does not have that dilemma in front of him, I yield 2 minutes to the gentleman from Oklahoma (Mr. WATKINS), a valued member of the Committee on Ways and Means.

Mr. WATKINS. Mr. Speaker, I have a great deal of respect for the gentleman from New York (Mr. RANGEL). I support this bill because I truly believe we must stimulate the economy.

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When you have Alan Greenspan, Chairman of the Federal Reserve, lowering the interest rates twice in January, and the economic indicators have been down. They need to be stimulated in order for us to build jobs and build the economy. We must not let the economy go into a tailspin.

There are a lot of people that like to point out that it does not go far enough. I agree there. And let me say to the gentleman from New York (Mr. RANGEL), if he does not believe in tax reduction, let me have the gentleman's capital gains tax reductions that the gentleman has with the empowerment zones.

Let me also have the gentleman's tax credits that the gentleman has in Harlem and also the accelerated depreciation, and if the gentleman gives me all of those, I will back off because I know tax reduction works.

The gentleman from New York (Mr. RANGEL), my good friend, knows it works, because that is the only hope to stimulate that economy in Harlem. Just like I have high hopes that I can get industry into the lower income rural economic depressed areas of Oklahoma where we have had out-migration. We have lost our population. We have had welfare, low per capita income.

The tax reductions do work, because we have to have the economic opportunities to stimulate jobs. Some people like to point back and say look at Ronald Reagan's time. That was totally a different time 20 years ago.

If my colleagues remember, that budget was built by David Stockman with inflated figures. Does the gentleman remember that? They were out of bounds. We did not have a balanced budget.

Today we have a balanced budget. In fact, we are paying down debt. We do not have a huge military buildup like we had back at that time either. Circumstances are a lot different.

Let me say I stand in support of this tax bill and let us send part of this surplus back to our taxpayers.

Mr. RANGEL. Mr. Speaker, I yield 1 minute to the gentlewoman from Texas (Ms. EDDIE BERNICE JOHNSON), the chairwoman of the Congressional Black Caucus.

(Ms. EDDIE BERNICE JOHNSON of Texas asked and was given permission to revise and extend her remarks.)

Ms. EDDIE BERNICE JOHNSON of Texas. Mr. Speaker, I thank the gentleman from New York (Mr. RANGEL) for yielding the time to me.

The Congressional Black Caucus supports the Democratic alternative to the Bush tax plan, because it really is better. However, the Congressional Black Caucus believes that before we do any tax cut, we do need a budget plan.

I just heard the gentleman, a friend, talk about wanting to stimulate jobs. The last administration stimulated 22 million jobs. We are not in a crisis for a tax break.

The Democratic plan calls for a $900 billion tax cut that is fiscally responsible and fair to the average American. The Democratic plan contains a new 12 percent bottom bracket that would cut taxes on all individuals up to $300 and to all couples $600 annually, not just the top 1 percent.

The plan contains a married penalty relief for couples who use the standard deduction and for the tax relief for married couples who utilized the earned income tax credit.

Mr. Speaker, the Congressional Black Caucus supports the Democratic alternative to the Bush tax plan, because it is better. However, the Congressional Black Caucus believes that before we do any tax cut we need to have a budget plan.

The Democratic plan calls for a $900 billion tax cut that is fiscally responsible and fair to average Americans.

The Democratic plan contains: a new 12 percent bottom bracket that would cut taxes on all individuals up to $300 and to all couples up to $600 annually; the plan also contains marriage penalty relief for couples who use the standard deduction and further tax relief to married couples who utilize the earned income tax credit; and the plan includes estate tax relief that would eliminate this tax for over two-thirds of all estates that are currently subject to this tax.

The Democratic plan protects Social Security and Medicare. It reserves one-third of the projected $2.7 billion surplus so that we can meet our obligations to the Baby Boomers when they start to retire in 2008.

This Democratic plan leaves enough money for investment priorities that even the administration has said they support, such as improving education and providing a real prescription drug benefit for senior citizens.

The Democratic tax cut also lets us pay down the debt rapidly by setting aside one-third of the projected surplus for debt reduction. Every American benefits from this because everyone will at some point want to own a home, or buy a new car. Paying down the debt ensures that interest rates on loans will stay low, meaning lower monthly mortgage and car payments.

The slowdown in the economy does require a tax cut to ensure that a full scale recession does not occur.

Tax cuts should be fair to the average American family. The President's plan is not. The Citizens for Tax Justice organization performed independent analysis that found that the President's plan provides an average $46,000 tax cut to the top 1 percent of taxpayers while leaving only an average tax cut of $227 for the lowest 60 percent of working families.

The President's plan is also fiscally irresponsible. It raids the surplus, threatens Social Security and Medicare, and leaves no room for important investments like education and health care.

The President's plan threatens economic prosperity by reversing all the progress that was made during the last administration. It will plunge the country back into deficit spending just like President Reagan's tax cuts of the 1980s.

The President's plan even threatens Medicare and Social Security because it leaves no room for error if the economy does not grow as quickly as current projections.

Mr. Speaker, we need a budget plan before voting on any tax cuts. However, the Democratic alternative is the better tax approach.

Mr. THOMAS. Mr. Speaker, it is my pleasure to yield 2 minutes to the gentleman from Virginia (Mr. GOODLATTE).

Mr. GOODLATTE. Mr. Speaker, I thank the gentleman from California (Mr. THOMAS), the chairman of the Committee on Ways and Means, for yielding the time to me and for his strong leadership in bringing this bill to the floor.

Mr. Speaker, I rise in opposition to the Democratic substitute and in support of H.R. 3, the Economic Growth and Tax Relief Act. This is very simple, what we are about here. This is money that was earned by the American people. They have paid it.

The government is taking in far more, far more than we are spending, and it is appropriate to give it back. It is a lot like if someone baked a batch of cookies and put them all out on a plate on the table at one time, watch and see what happens to it. In most families, they are going to go just like that. That is why we have to give this money back to the taxpayers, and we need to do it in a responsible way, because if we leave that money here, that plate of cookies right here, they are going to spend it.

It is entirely appropriate that instead of doing that, we provide for a reduction in statutory tax rates under the individual income tax. A vital step towards reducing the complexity of our tax process is reducing taxes in general. Instead of squandering the surplus on wasteful government spending, the Bush administration and Congress are working to ensure that government provides tax relief to all Americans.

Mr. Speaker, by reducing the current five tax brackets into four and making the new 12 percent rate retroactive, Washington will return hard earned dollars to those who earned it, the American citizens. This bill allows people to make choices on how to best spend their money.

The government should not be making that decision for them. This is the heart, the heart of President Bush's tax plan, and I urge my colleagues to support this bill.

Mr. RANGEL. Mr. Speaker, I yield 1 minute to the gentlewoman from Missouri (Ms. MCCARTHY).

(Ms. MCCARTHY of Missouri asked and was given permission to revise and extend her remarks.)

Ms. MCCARTHY of Missouri. Mr. Speaker, I thank the gentleman from New York (Mr. RANGEL) for yielding me the time.

Mr. Speaker, I rise in opposition to the Republican tax cut plan, H.R. 3, and in support of the Democratic substitute. I support tax cuts for all Americans. Under the President's plan, many of American working families would still be left behind.

The President's tax plan provides each of the wealthiest 1 percent of the taxpayers $46,000 in relief with the lowest 60 percent of working families getting a tax cut of just $227, or less than a dollar a day. This plan leaves working families and children behind.

Mr. Speaker, 30 percent of Missouri's families will be left behind, a third of Missouri's children will be left behind. I support a tax plan that focuses its relief on workers and families with children. This is fairness.

I support a budget that protects Social Security and Medicare and continues to reduce the national debt. This is fiscal responsibility. Supporting a tax cut of such magnitude as the President's will leave us unable to meet the needs of the economy of the American people and especially the educational needs of our children.

It is not a fair plan nor a responsible fiscal policy, and I urge my colleagues to vote no on H.R. 3 and support the Democratic alternative.

Mr. THOMAS. Mr. Speaker, it is my pleasure to yield 1 minute to the gentleman from Michigan (Mr. SMITH).

Mr. SMITH of Michigan. Mr. Speaker, I thank the gentleman from California (Mr. THOMAS), chairman of the Committee on Ways and Means, for yielding the time to me.

Mr. Speaker, the most important reason to have a tax cut is to get some of this money out of town. It has been mentioned that spending is the danger.

There are a lot of problems in this country. There are a lot of problems in the world, and it is easy for politicians to say let us spend a little more of that available money.

Let me just give my colleagues a quick example, Mr. Speaker, in the last one, if we would have stuck to the caps that we set on ourselves for 1997, the baseline for the next 10 years would be

$1.7 trillion less spending than the baseline that exists because of our expanded spending.

The danger is more and more spending from this body, and it has been said many times how many people believe that if you leave it on this political counter in Washington most of it is going to be spent for an expanded government; that is the worst thing we can do for the future of the economy.

It is the worst thing we can do for the liability that our kids are going to have to bail us out of. Let us get some of the money out of town. Let us be fiscally responsible and start setting priorities.

Mr. RANGEL. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, it amazes me the lack of confidence that these Republicans have in their leadership as relates to spending, but they know best.

Mr. Speaker, I yield 1 minute to the gentlewoman from California (Ms. LEE), who served in the State Finance Committee before she came to the Congress.

(Ms. LEE asked and was given permission to revise and extend her remarks, and include extraneous material.)

Ms. LEE. Mr. Speaker, I thank the gentleman from New York (Mr. RANGEL) for yielding me the time.

Mr. Speaker, I rise today to oppose the Bush tax cut plan, which discriminates against millions of families with children, especially minority families.

According to the Center for Budget and Policy Priorities, 55 percent of African American families and 56 percent of Latino families, including 12 million children, would not receive 1 penny of tax relief under the Bush tax plan.

Let me read you a quote from a full page ad in the West Coast edition of the New York Times that ran last week. It says your proposed $1.6 trillion tax cut inadvertently puts our children at risk.

Now this ad, this full page ad, was taken out by a multi-ethnic coalition of 38 church, community and small business associations in California, including the California Hispanic Chamber of Commerce, the California Black Chamber of Commerce, and the National Council of Asian American Business Associations.

President Bush states that he wants to unify the Nation, but his tax plan is not a unifying plan. It leaves out many minority families. Instead of huge tax breaks, we should spend any surplus on education, on housing, Social Security and paying off the debt.

Mr. Speaker, I submit the following ad I mentioned in my remarks for the RECORD:

[From the New York Times, Mar. 1, 2001]

OPEN LETTER TO THE PRESIDENT—WE SUPPORT YOUR PRO-CHILD INAUGURAL ADDRESS: PLEASE CREATE A PRO-CHILD TAX CUT

''And whatever our views of [poverty's] cause, we can agree that children at risk are not at fault. Abandonment and abuse are not acts of God, they are failures of love.'' (Inaugural Address, Jan. 2001)

DEAR PRESIDENT BUSH: Your eloquent and compassionate Inaugural Address will long be remembered if your tax policies follow the pro-children theme of this address.

Your proposed 1.6 trillion-dollar tax cut inadvertently puts our children at risk. By its sheer size and focus on the wealthiest one percent of families (average income of one million dollars) it jeopardizes the children-at-risk theme of your compassionate educational and health care projects.

Over half (56%) of all Latino and African American children live in families that will receive no tax cuts.

Only one in 25 children live in families that will receive any significant benefits, and virtually all of these families can presently fully provide for all their children's needs and wishes.

PROTECT OUR MOST PRECIOUS RESOURCE: A $1,200 ANNUAL TAX REBATE FOR A FAMILY OF FOUR

Consistent with the compassionate theme of your Inaugural Address we support an annual $300 per person tax rebate for all U.S. residents, including senior citizens. A family of four would receive $1,200 a year.

Over 95% of children and their families would receive more under this proposal than under your proposal. And, only the top one percent of families (average income of one million dollars) would receive significantly less from the pro-child proposal than from your proposal. Your proposal gives these families $63,000 a year in tax cuts in the first year and close to a million dollars over a ten year period.

Even the typical senior citizen would benefit. Under your proposal a widow earning $20,000 would get a rebate of just $60. Under the $300 per person proposal, she would receive five times as much.

And, the typical family earning under $80,000 would receive $233 more per year under this proposal than from your tax cut proposal.

Unlike your proposal, the $1,200 per family of four proposal will not jeopardize social security, Medicare, military spending, or environmental protection, since it will cost fewer than 90 billion dollars a year and can be adjusted upward or downward depending on the size of our national surplus.

This $1,200 rebate will directly and immediately stimulate the economy and work in tandem with Federal Reserve Chairman Greenspan's interest rate cuts. It will do so because it can be provided immediately and 95% of the beneficiaries will use it for domestic spending such as health care, food, clothing and housing. In contrast, a tax cut for the super-rich will either not be spent or expended largely on foreign luxury goods such as Ferraris.

Mr. President, do not forget our children! Do not put our most precious resource at risk! Let their families, not the super-rich determine their future.

''African Americans fully understand the distinction between complex tax cuts for the super rich and a sweeping and simple across-the-board cut that equally benefits every American, including the humble and hardworking factory, hospital and restaurant workers of America.'' (Reverend J. Alfred Smith, Jr., co-pastor, Allen Temple Baptist Church)

''Latinos future success is largely dependent upon tax policies that promote and protect our most precious resource, our children.'' (Raul Medrano, Chairman, California Hispanic Chamber of Commerce)

Reverned Mark Whitlock, First AME Church, Los Angeles; Raul Medrano, California Hispanic Chamber of Commerce; Aubry Stone, California Black Chamber of Commerce; Gelly Borromeo, National Council of Asian American Business Associations; George Dean, Greater Phoenix Area Urban League; Reverend J. Alfred Smith, Jr., Allen Temple Baptist Church; Jorge Corralejo, Latin Business Association; Angelina Casillas-Corona, Hermandad Mexicana Nacional; Leo Avila, American GI Forum; Mary Ann Mitchell, National Black Business Council; Stanley H. Hall, Bay Area Urban League; Darlene Mar, Council of Asian American Business Association; Reverend Stephen McGlover, Black Business Association; Ben Benavidez, Mexican American Political Association; George Bivins, Black Business Association of Los Angeles; Lisa Yuchengco, Asian Pacific Publishers Association; Gayle Orr-Smith, San Francisco Business and Professional Women; Calvin Louie, CAABA; Ray Uzeta, Chicano Federation of San Diego; Manuel Pena, Orange County Minority Business Council; Arabella Martinez, Spanish Speaking Unity Council; John Gamboa, The Greenlining Institute.

PREPARED BY THE GREENLINING INSTITUTE, A MULTI-ETHNIC COALITION OF 38 CHURCH, COMMUNITY, AND SMALL BUSINESS ASSOCIATIONS, 785 MARKET STREET, 3RD FLOOR, SAN FRANCISCO, CA

Mr. THOMAS. Mr. Speaker, I yield myself 45 seconds.

Mr. Speaker, I believe that pretty well clears the air in terms of what some folks want to do with other people's money.

I believe that the point of the gentlewoman from California (Ms. LEE) was that there are a number of Americans who do not pay income taxes. This is a reduction, a permanent reduction in the income tax rate. More than 60 million women income tax payers will be benefitted. More than 16 million African American income tax payers will be benefitted. More than 15 million Hispanic American income taxpayers will be benefitted.

Those African Americans, Hispanics and women who will be benefitted are income taxpayers. The concern of the gentlewoman about those who do not pay income taxes was addressed by the President when he talked about needed reform in Social Security.

We will be doing that, and we will be doing it soon.

Mr. Speaker, it is my pleasure to yield 2½ minutes to the gentleman from California (Mr. COX), chairman of the Republican Policy Committee.

Mr. COX. Mr. Speaker, I thank the gentleman from California (Mr. THOMAS), the distinguished chairman of the Committee on Ways and Means.

Mr. Speaker, the gentleman could not have said it better. Higher tax rates do not produce jobs. Lower tax rates do.

High tax rates do not help single moms. Lower tax rates do.

High tax rates do not help our kids and our families. Lower tax rates do.

Mr. Speaker, today, for the first time in 20 years, we had on this floor a bill that will provide across the board tax rate relief for every working American, everyone. And, of course, the greatest percentage relief goes to the lowest end of the income scale.

The last time we did this was the Economic Recovery Tax Act of 1981. That was the catalyst for the staggering economic growth of the 1980s, the 1990s, the growth that we are still enjoying today. By reducing tax rates, we found during the decade of the 1980s that income tax revenues to the government more than doubles.

The problem was, of course, congressional spending at that time which more than doubled, but now a fiscally responsible Congress is prepared to keep a lid on spending.

I do expect that we will live within the 4 percent growth in discretionary spending that President Bush has laid out for us.

Mr. Speaker, what better time for a tax rate reduction than when we are enjoying record surpluses, something we were not blessed with back in the 1980s. Since the 1981 tax rate reduction, the American people have suffered eight tax hikes, so that today the tax burden on the American people and the tax burden as a share of this largest economy in our history is, in fact, the greatest in American history, eclipsing even the tax burden of World War II, when we were facing a death struggle with Nazi Germany and imperial Japan.

The need is clear. It is time to reduce tax rates which are placing a burden on our economy right now, which is the greatest since the largest war in the history of man.

Mr. Speaker, $2,000 that the average family of four will save because of this bill will go a long way towards setting this economy back on the path of economic growth and prosperity for every American.

Mr. Speaker, I want to thank the gentleman from California (Mr. THOMAS), chairman of the Committee on Ways and Means, for his leadership in bringing this bill to the floor and commend this bill to my colleagues who I know will vote in its support.

Mr. RANGEL. Mr. Speaker I yield 1½ minutes to the distinguished gentleman from Massachusetts (Mr. NEAL), a member of the Committee on Ways and Means.

Mr. NEAL of Massachusetts. Mr. Speaker, what we are essentially being asked to do today is this, to vote on what economic conditions are going to be like in 10 years. The gentleman from New York (Mr. HOUGHTON) had it right on target when he suggested that.

Let me take my colleagues back 10 years. What we were told that we had to replicate in America 10 years ago were simply Japanese management practices. If every businessman and businesswomen in America simply did what the Japanese did, we would be in great shape, and the prosperity would be just around the corner.

Who among us would argue that today? We were told we were going to have deficits for the next 25 years. Who would argue that today?

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We were told by Paul Kennedy at Yale with his popular book 10 years ago that America's best days were behind; and it was widely read and on the best seller list forever. Who would argue that today? But yet we are being asked to do precisely that by projecting what economic conditions will be like a decade from now.

Then we are being told we better do this today so we can stimulate the economy. The Senate is not going to take this up until spring or summer, but we are told it has got to be done today. Minimal debate. Shove it through. Ram it down the minority's throat.

Let me tell my colleagues what we are going to do with AMT. We are going to make the matter even worse today. Currently, there are 1.5 million taxpayers who are caught in the AMT net. Under current law, that increases to 20 million in 2011, some with incomes as low as $50,000. Because of the bill that we have before us today, 15 million more people are about to pay AMT over the next 10 years. The problem, cost, $292 billion.

Reject this sham today. We will offer a tax cut here. A reasonable tax cut targeted to middle-income Americans is where we should be headed.

Mr. RANGEL. Mr. Speaker, I yield 1½ minutes to the distinguished gentleman from Georgia (Mr. LEWIS), a member of the Committee on Ways and Means.

Mr. LEWIS of Georgia. Mr. Speaker, I thank the gentleman from New York (Mr. RANGEL) for yielding me this time.

Mr. Speaker, I rise today in support of the Democratic substitute. The Republican bill is not the way to go. It is going to take the country down the wrong road.

This whole thing is unbelievable. It is unreal. In my 15 years in Congress, I have never seen such a thing. We are now debating the first part of a $2 trillion tax bill, and we are doing it before we have a budget. $2 trillion is a lot of money, especially when it is based on an unreliable 10-year forecast. There are no assurances. There are no guarantees.

What if we are wrong? What if the surplus does not happen? The administration, the Republicans, somebody, somebody is not telling the whole story. They need to be honest with the American people, honest about the true cost of the bill, honest about what will happen if the surplus does not materialize, honest about what will happen to Social Security, to Medicare and other priorities. It is time to tell the truth, the whole truth, nothing but the truth.

The Republicans are playing with the numbers. It is deceptive. It is a sham. It is a shame. We should be paying down the debt, saving Social Security and Medicare, taking care of the basic human needs of all of our people.

The Republican bill is not right for America. It is not fair, and it is not just. I urge all of my colleagues to vote against it and vote for the Democrat substitute.

Mr. THOMAS. Mr. Speaker, it is my real pleasure to yield 2½ minutes to the gentleman from Louisiana (Mr. MCCRERY), a very valuable member of the Committee on Ways and Means.

Mr. MCCRERY. Mr. Speaker, I want to talk about debt, because we have heard from a lot of folks on the other side of the aisle that they are concerned about debt. They are concerned that this tax cut is too big; and because it is too big, we will not be able to pay down the debt that is going to be a burden on our children and grandchildren.

Well, I am glad they are concerned about the debt. It is about time. But the fact is that we have been paying down debt. The best way to gauge the level of debt held by the public is to compute that debt as a percentage of our national income, our Gross Domestic Product.

The Congressional Budget Office baseline, which assumes no tax cut, some spending increases and everything else going to debt reduction, tells us the debt in 2006, just 5 years from now, will be 9.4 percent of our national income, the lowest level since 1917.

Using that same baseline, but assuming we pass the President's $1.6 trillion tax cut, the publicly held debt in 2006 will be about 14 percent of our national income, again, the lowest our debt will have been since 1917.

Now, let us say that we give the President his $1.6 trillion tax cut and we spend the rest of the surplus except for that that is attributable to Social Security and Medicare. Well, the publicly held debt in 2006 would be 15.1 percent of GDP, the lowest level since 1917.

Well, let us say we will use only the Social Security surplus to buy down the publicly held debt. In 2006, it would be 16.6 percent of GDP, except for 1 year, 1929, the lowest level since 1917.

But in his address to Congress just last week, President Bush said he would like for us to pay down only $2 trillion of debt over the next 10 years. Well, where would that leave us? It would leave the debt at 21.5 percent of GDP, and that would be the lowest level since 1930. And that is counting the President's tax cut plus increased spending for education, the military, health research, and Medicare.

We have been paying down the debt. Even with the tax cut and increased spending over the next 5 years, our debt will be lower than it has been since 1930. Since 1930, we have lived through the great depression, World War II, the Korean conflict, the Vietnam war, the boom times of the 1980s and the 1990s, and it will be the lowest since any of that occurred.

We can afford a tax cut and pay down the debt. Let us do it.

Mr. RANGEL. Mr. Speaker, I yield 1 minute to the gentleman from Indiana (Mr. ROEMER).

(Mr. ROEMER asked and was given permission to revise and extend his remarks.)

Mr. ROEMER. Mr. Speaker, about 2 weeks ago, our President stood right here and gave a very eloquent and moving address to the country, painting a canvas with a brush of statistics about two Americas, an American with surpluses and promise and hope, an America with too many deficits and failing schools.

So the question before this body today is: What do we do with those surpluses if they show up? Well Alan Greenspan has said urge caution on tax cuts, both on spending and on tax cuts. Let us make sure that we do not either spend our way back into deficits or tax our way back into deficits.

Secondly, this should be a fair process. According to the accounting firm of Deloitte & Touche, a millionaire with grown children gets a $47,000 tax break. A middle-class family with two children earning $55,000 gets $1,900. Let us work in a bipartisan way to get a real tax cut that we can afford that does not challenge our debt and paying down that debt and is fair to all Americans.

Mr. RANGEL. Mr. Speaker, I yield 1 minute to the gentleman from Washington (Mr. BAIRD).

Mr. BAIRD. Mr. Speaker, I rise today with mixed feelings about the President's tax bill. Make no mistake, I am in favor of cutting taxes; and I support making our Federal tax code more fair. In fact, I have written legislation to reinstate sales tax deductibility. I support elimination of the marriage penalty and reform of estate taxes.

While it is important that we provide a tax cut, that tax cut must be passed within the context of a balanced budget. We must pay down the national debt. We must honor our commitment to Social Security and Medicare, and we must make important investments in education, health and defense. Those priorities must not be sacrificed in the name of a tax cut.

Under the President's plan, vital programs will have to be cut back, and let me give you a couple of examples: The Federal Emergency Management Agency and the Small Business Administration are right now in my district in Washington State helping people recover from a terrible, devastating earthquake. We must not cut programs to FEMA, to SBA and other critical investments. How many small businesses will not get support if we pass this excessively large tax cut. I support tax cuts, but the President's plan does not do the job the proper way. Support the Democratic alternative.

Mr. Speaker, I rise today with mixed feelings about the President's tax relief bill. Make no mistake—I am in favor of cutting taxes and I support making our federal tax code more fair.

I not only favor tax cuts and tax fairness, I have written legislation that will reinstate the sales tax deduction for citizens of states that do not have an income tax. I support relief for those penalized by the marriage tax. I support estate tax relief. I support tax cuts that will benefit each and every American. However, we in Congress have a duty to have an honest, thoughtful debate on the consequences of a tax cut as large as the one we are considering today, and that has not happened.

While it's important that we provide a tax cut, I feel strongly that such tax relief must be passed within the context of a balanced budget—we must be able to pay down the national debt, we must be able to honor and strengthen our commitment to Social Security and Medicare, and we must be able to make important investments in education, health, conservation, and defense. These priorities cannot be sacrificed.

I also believe it is unwise for the House to pass a large tax cut before we pass a budget. It just doesn't make sense to talk about spending trillions of dollars on a tax cut before we have established a budget that takes into account both spending and revenues. No small business could operate that way; no family could sustain that kind of spending—and we in Congress shouldn't do it either.

As I said before, I support eliminating the marriage tax. I support changing the estate tax system. I want to restore fairness to the tax code by restoring the sales tax deduction.

But the bill before us makes none of those changes. And worse, I am afraid that passage of this bill will cause serious hardships for residents of my home state.

Under the President's plan, the Commerce Department, the Transportation Department, the Corps of Engineers and the Small Business Administration will all have to be cut back—some drastically—to pay for this tax bill.

The Federal Emergency Management Agency (FEMA), which was sent into action just last week in my district following a devastating earthquake, is one of those agencies slated for a number of deep cuts. Let me tell you, we cannot afford to strip down agencies like FEMA, because if your home or business is wiped out in an earthquake, I don't care how big a tax cut you get, you're going to need agencies like FEMA and SBA to be there to help you rebuild your neighborhood and to rebuild your life.

How many small businesses won't get the SBA loan they need to stay in business? How many construction projects will the Corps of Engineers have to defer or abandon because they don't have adequate funding to move forward? How many roads and bridges will fall into disrepair because we could not fund transportation projects?

For these reasons, although I support fair and reasonable tax cuts that would stimulate the economy, I must oppose the tax bill before us today.

Mr. Speaker, when we make a rush to judgment, we can place vital programs at-risk. When we spend $1.6 trillion or more without a budget to show us the impact of that spending, we place our nation's future at risk.

Vote no on this bill today and let's bring up a tax relief bill that we can all stand behind.

Mr. RANGEL. Mr. Speaker, I yield 1 minute to the gentleman from Ohio (Mr. KUCINICH), who is the Chair of the Progressive Caucus in the House.

Mr. KUCINICH. Mr. Speaker, we can be for tax relief, but it makes sense to see the budget first. The government should not spend money that it does not have and should not give away money it might need. I know there are some people with great resources who do not need public education, Social Security, Medicare, or prescription drug benefit. Some do not need these programs because they can take care of themselves.

Mr. Speaker, why give away 43 percent of the tax cuts to the top 1 percent when we may need that money for education, Social Security and Medicare needed by most Americans. Basic American fairness requires that we should give the most to the many. Under our alternative, millions of waitresses, mechanics, nurses, home health aides, teachers and factory workers would get about $300. Families would get between $600 and $800.

Mr. Speaker, that proud eagle above our heads spreads its wings to protect the entire Nation. It is not some bird to be plucked and stuffed and eaten by a few.

Mr. RANGEL. Mr. Speaker, I yield 1½ minutes to the gentleman from North Dakota (Mr. POMEROY), a new, but valuable member of the Committee on Ways and Means.

Mr. POMEROY. Mr. Speaker, I thank the gentleman for yielding me this time.

The Rangel substitute represents a better way to proceed on getting tax relief to the American people, in sharp contrast to the majority bill which we know is step one of a series of measures committing all of the general fund surplus based on an optimistic revenue forecast stretching out 10 years. The Rangel bill is responsible; it fits within a framework that commits nearly a trillion dollars of the projected surplus to tax relief, but also recognizes there are other budget priorities like paying down the debt.

The majority bill backs off of debt retirement. It poses the prospect that we might dissipate the surplus now and leave the national debt behind for our children to take care of. The Rangel substitute focuses tax relief on middle-income families, and as a result, does a better job of giving them relief than the majority bill. It also gets relief to the millions of Americans who pay payroll taxes but earn at levels so modest they do not have income tax liability. They get nothing under the majority bill; they get relief under the Rangel substitute.

Mr. Speaker, a final strength of the Rangel substitute is that unlike the majority bill, it fully protects the Social Security and Medicare trust funds. Folks think the money they pay in payroll taxes and Social Security and Medicare ought to be used exclusively for those purposes, but only the Rangel substitute makes that so.

It is time for tax relief, and the Rangel substitute is the right way to do it.

Mr. THOMAS. Mr. Speaker, I yield 2 minutes to the gentleman from Florida (Mr. SHAW), a very valuable member of the Committee on Ways and Means.

Mr. SHAW. Mr. Speaker, I thank the gentleman for yielding me this time.

I have been sitting on the floor for the last few minutes, and I heard one Member say we cannot predict with absolute certainty what the economy is going to be, what revenue is going to be, what spending is going to be 10 years from now, and then from that come to a conclusion that the American people do not need a tax reduction.

If we are waiting for absolute certainty in our projections, the American people will never get anything back, but then what disturbs me most is a comment that was just made on the floor a few moments ago when one Member said the government should not give away money it may need. The government may not give away money it may need.

Mr. Speaker, this is the taxpayers' money. It is not the government's money. When the government has enough to operate and to pay down the debt and to act in a responsible way for the foreseeable future, it is our obligation to let the American taxpayers keep more of what they earn.

There are things that we do know with certainty. We do know that Federal taxes are at the highest level ever since peacetime. Americans work for more than 4 months just to pay their taxes. We know that with certainty. The typical American family pays more than 38 percent of its income in total taxes. We know that. On top of that, households are facing higher energy prices. My colleagues from the Northeast know that. The price of oil has doubled over the last 18 months. Manufacturing activity is at its lowest level since the 1990 recession. We know that. These are things we know and these are things that we have to operate on.

The Congress is not going away. We are going to be back year after year after year. The miracle of our democracy is that we are able to adjust to the times. We are able to adjust to current circumstances. We are able to adjust to our economy. Let us pass this tax bill. It is the taxpayers' money, it is not the government's money.

□ 1600

Mr. RANGEL. Mr. Speaker, I yield 1 minute to the gentleman from California (Mr. SHERMAN).

Mr. SHERMAN. Mr. Speaker, before we pass a series of tax cuts totaling over $2 trillion, we need to know what we can afford. The Republican plan is based on unreliable projections, no budget resolution, no administration budget.

Mr. Speaker, this is what a budget for the Federal Government looks like; yet what we have been given by the administration is this. Scarcely more than a long political pamphlet. In fact, it is skimpy compared to the budget of the State of Rhode Island. Mr. Speaker, perhaps the fuzziest of fuzzy math is to provide no numbers at all.

My colleagues, the President stood where the Speaker stands now and asked us to think of a struggling unmarried waitress with two kids. Yet most waitresses, raising two children, get nothing under the President's plan. Not even a one cent insult tip is left on the table. The Democratic substitute provides such waitresses with $539 and leaves $1.5 trillion more to pay off the national debt by 2008.

Let us stand up for Social Security, Medicare, and fiscal responsibility, and vote for the Democratic substitute.

Mr. RANGEL. Mr. Speaker, I yield 1 minute to the gentleman from Vermont (Mr. SANDERS).

Mr. SANDERS. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, the Republican proposal is grossly unfair and grossly irresponsible. At a time when millions of middle-class families are struggling to keep their heads above water, the Republican proposal provides 43 percent of the tax breaks to the wealthiest 1 percent, the people who need it the least, and 12 percent of the benefits to the bottom 60 percent of the people who need it the most.

Equally important, by providing a huge $1.6 trillion tax break, there will not be money available in future years to help us in Social Security, Medicare, Medicaid, veterans needs, and education. Can we afford a tax cut? Yes. It should be smaller than the President's, and it should be geared to the middle class and not the wealthy. Support the Rangel substitute.

Mr. THOMAS. Mr. Speaker, I yield 3 minutes to the gentleman from Missouri (Mr. HULSHOF), a very valuable member of the Committee on Ways and Means.

(Mr. HULSHOF asked and was given permission to revise and extend his remarks.)

Mr. HULSHOF. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, in a few moments, I expect my colleague from Missouri, the Democratic leader, will be coming to the well of the House and closing on the Democratic alternative. I find it noteworthy that over the last 4 years we have had 12 occasions to debate a substantive tax relief measure, and these are the CONGRESSIONAL RECORDS from those debates. I note that my colleague from Missouri, who is likely to join us in a few moments, has spoken in opposition on each and every occasion save one. My good friend from Missouri has never met a tax cut that he did not spike.

I go back to the Taxpayer Relief Act of 1997, and we were in the midst of deficits. As we were debating as a body whether to create an education savings account, cutting the capital gains tax rates, putting into place the Roth IRA, here are the statements from my good friend from Missouri. Let me say this, and I am quoting from the RECORD, ''I am a tax reformer. I believe we ought to get less deductions and exemptions and special treatment. I think we need to get lower rates for everybody.'' Amen, I say, Mr. Speaker. Vote for H.R. 3. This is across-the-board relief, where the greatest reductions are going to those who pay in the lower income tax brackets.

Let us fast-forward a year to 1998, as we were considering the Taxpayer Relief Act of 1998. On that occasion the gentleman from Missouri argued against the bill primarily because of his concern about raiding the Social Security Trust Fund. Again I go to the RECORD: ''I am from Missouri. We have a saying in Missouri. Show me. Show me the trust fund.'' Well, we took that comment to heart as well. I think that everyone in this Chamber recognizes that this Republican majority has locked away every penny of the Social Security and Medicare trust funds and payroll taxes. What we are talking about in this tax relief measure today is the overpayment of income tax surpluses.

If the Chair would permit me one final example. As we were debating a year ago the tax relief measure, again I think the gentleman from Missouri, with his usual rhetorical flourish, came before us and cried foul about the Republican plan for tax relief, talking about needing to pay down the debt and pointing out that a family of four earning $50,000 a year would only receive a refund of about $250. Once again, we have taken those constructive comments to heart. We are making unprecedented progress on paying down the national debt. And when the President's tax plan is fully phased in, that working family of four making $50,000 a year, that the gentleman from Missouri defended so vigorously, they will see their tax bill reduced by $1,600 annually.

I suppose through these congressional pages the arguments against tax relief are myriad and numerous. And I suppose my colleagues could conjure up any number of reasons to vote ''no.'' Here is a compelling reason to vote ''yes'': it is not the government's money. On behalf of hard-working American taxpayers, I join with our President in asking for a refund, urging my colleagues to vote ''no'' on the Democratic alternative and ''yes'' on H.R. 3.

Mr. RANGEL. Mr. Speaker, I yield 1 minute to the gentleman from Minnesota (Mr. LUTHER).

Mr. LUTHER. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, Americans deserve to know the truth about the Federal budget, and they need to know that the surplus money, loosely being talked about, does not exist. In fact, what is occurring today are budget projections. That is what is being talked about.

As my colleagues can see from this chart, this shows the surplus projections from the nonpartisan Congressional Budget Office, that the current projection could easily be nearly $.5 trillion off in just 5 years. We have a tremendous opportunity here today. Let us not make the mistakes of the past, but rather let us use common sense and develop a national budget before we begin to allocate future projections for the next 10 years.

Let us change the way Washington operates today. Let us function like real families in the real world. Real families would not risk the future of this country with deficit financing like what was done in this country by this Congress just a few years ago.

Mr. RANGEL. Mr. Speaker, I yield 1 minute to the gentleman from Maryland (Mr. HOYER), a distinguished member of our delegation here.

Mr. HOYER. Mr. Speaker, welcome to the Great River Boat Gamble of 2001. Today our Republican friends are urging the American people to take a luxurious vacation into the tax cut casino. But let us remember, we have not even written our budget yet and do not have any idea whether or not we can afford it.

Everyone agrees that we ought to have a tax cut, and in 1997 I voted for that bill to which the gentleman referred. We need tax relief. It is clear from this fiscally irresponsible bill, however, that the GOP has not learned a thing from the mistakes of the past.

Twenty years ago, President Reagan assured America we could have it all, a huge tax cut, a major defense buildup, and a balanced Federal budget, which he guaranteed us in August of 1981 when he signed the tax cut. He said it would be balanced by October 1, 1983. We had about a $100 billion deficit that year alone.

George Bush, our current President's father, said that was voodoo economics. He was right. It is the taxpayers' money; and, my friends, the debt is also the taxpayers. Let us be responsible. Let us vote for the Democratic alternative. Let us make sense for America.

Mr. RANGEL. Mr. Speaker, I yield 2 minutes to the gentleman from Michigan (Mr. BONIOR), our distinguished minority whip, under the very restrictive time that we have.

Mr. BONIOR. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, many of us here have served through a number of administrations. We have seen how each President has had his own agenda. But they all understood one thing, and that is that they could not ask Congress to make decisions about taxes unless they had a budget. It is a matter of fiscal responsibility. Yet this White House has decided that that rule does not apply to them.

Democrats, as we have heard, want to cut taxes. But what is the White House response when we point out the President's scheme will cost over $2 trillion, or when we ask how they are going to pay for improving Social Security or education or Medicare, or when we ask how we are supposed to pay down the debt? Trust us, they say. They say trust us, the money is going to be there. Well, if I can paraphrase former President Reagan: it is good to trust, but it is better to verify.

It took years to pull ourselves out of the financial hole created by the last two Republican Presidents, and now this one is proposing that America jump right back into it. And for what, a tax cut that gives the richest 1 percent of Americans 43 percent of the breaks, while a waitress, who has maybe a couple of kids and is making $22,000 a year, gets nothing at all?

We can provide families with the tax cuts they have earned and still strengthen Social Security and modernize Medicare and provide for education and prescription drug care. That is what our substitute does. Our plan is backed by real numbers, not by empty promises. And unlike the President's scheme, it will not break the back, it will not burn up the surplus and plunge America deeper into debt. This country has been down that road before, Mr. Speaker. Why would we ever want to go back down that path?

I urge my colleagues to vote ''yes'' for the substitute by the gentleman from New York, and, if it fails, to vote ''no'' on final passage.

Mr. THOMAS. Mr. Speaker, I yield 2 minutes and 10 seconds to the gentleman from Texas (Mr. DELAY), the majority whip.

Mr. DELAY. Mr. Speaker, I have to say, that the Democrat leadership has no credibility when it comes to fiscal responsibility. They are the ones that were in charge and who drove up the debt.

They point to Reaganomics as the reason for the debt going up, but what they do not point out is that because of the Reagan tax cuts revenues went up twice, two times as much. The problem was that the Democrat-controlled House drove spending up three times as much. It is spending, stupid. It is spending that creates the deficit. It is spending.

And now, Mr. Speaker, the Democrat substitute amendment is a paltry half measure that falls far short of the important tax relief that the American taxpayers deserve and should demand from this Congress. But there is more at stake here than the simple math of reducing the unfair tax burden on the American people, and that is that taxes are simply too high.

Clearly, whenever the Federal Government runs a surplus, taxes are, by definition, too high. But our opponents would have us believe that a budget surplus only proves that the Federal Government is not spending enough. And listening to the debate this afternoon, we have been warned in a hundred different ways that the sky is going to fall if we simply allow the taxpaying American public to keep more of what they earn.

Let us just sweep aside all those empty arguments, because this debate raises a fundamental question: Will we let the Federal Government spend first and then stick the taxpayers with the bill? They want to spend the tax surplus; we want to let America keep it. Will we let the American people determine how high their taxes should be and then require the Congress to live within its means? That is how it works for every American family. That is how America runs its small businesses, and that is how the Federal Government should keep its books. Only in Washington do we spend the taxpayers' hard-earned money first and ask questions later.

Our opponents argue that we cannot offer tax relief because the budget for the next fiscal year has not been completed. But we have a surplus this year, and we want to help American families this year. We can do it, we should do it, and we will do it by allowing every American taxpayer to keep more of what they earn.

Mr. RANGEL. Mr. Speaker, I yield 30 seconds to the gentleman from Maryland (Mr. HOYER) to correct the record.

Mr. HOYER. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, the majority whip has the same tired bogus argument. Let me remind my Republican friends that from 1981 to 1987 the Senate was a Republican United States Senate. Let me remind my friends, if they have forgotten, that Ronald Reagan was President of the United States. Let me remind my colleagues further that not one bill was vetoed by Ronald Reagan and had his veto overridden to spend more money. Not one.

So get rid of this bogus argument as to who upped the debt of this Nation.

Mr. RANGEL. Mr. Speaker, I yield 1½ minutes to the gentleman from California (Mr. BECERRA), a valued member of the Committee on Ways and Means.

□ 1615

Mr. BECERRA. I thank the ranking member for yielding me this time.

Mr. Speaker, we need a plan to cut taxes that will be responsible, that will be fair and will invest in our future. We would not be allowed to buy a house anywhere in America if we could not prove that we could pay that mortgage on that home. Yet today Congress is telling America, we can buy a house, we do not have to tell you where the budget is, nor do we have to tell you how in the next 10 years we will get the money. We just have projections and we will assume we will have the money. Now, if that is considered responsible, then you will see how we get back to those deficits that we had for years and years and years.

We finally have a surplus. Let us stick with those surpluses that we have and not get back into deficit spending. Is it fair? One in three California families with children will not get anything out of this Bush tax plan. Does it invest in our future? Well, there will not be enough money to strengthen Social Security and Medicare. There will not be enough money to invest in education. There will not be enough money to promote economic growth in our neighborhood and certainly there will not be the money to pay down the national debt which will be now hoisted on our children in the future who will have to pay for our sins and for our work if we pass this bill.

Let us be fair, let us be responsible, and let us invest in our future. Let us vote for the Democratic substitute and bring down the Bush tax plan.

Mr. THOMAS. Mr. Speaker, it is my pleasure to yield 2½ minutes to the gentleman from Oklahoma (Mr. WATTS), the Conference chairman.

Mr. WATTS of Oklahoma. Mr. Speaker, I would encourage everyone to take off their Republican and Democrat caps here and just consider something. We tax the American people from the time they wake up until the time they go to bed.

When you get up in the morning and you go take a shower, you get taxed on the water. When you go and eat your breakfast, you get taxed on your food. When you go and put your clothes on, you get taxed on your clothes. When you get in your car and go to work and buy fuel, you get taxed on your fuel. When you go to work and punch the clock you get taxed on your income. When you come home in the evening, turn on the TV and you watch Fox News Network or Fox Sports Network or CNN or ESPN, you get taxed on your cable. And then you go and you fall to your knees at night, you pray to the true and living God, thank him for the day you have had, then you get off your knees, kiss your bride good night and you think that is free, but it is not. You get taxed. You have a marriage tax. Then if you say I am going to get out of all this and die, we still get you. We tax death. It is unfair.

The American people are overtaxed. What we are saying in this $1.6 trillion tax relief package, let us take six pennies that comes into Washington over the next 10 years and give it back to the taxpayers, give it back to the people that pay the bills in Washington and pay the bills at home. And then we are going to take 94 cents and put more money in education, build national defense, take care of Social Security, pay down the debt, which we have done over the last 3 years. When the Democrats were in control, I will remind my friends that for 35 years they paid not one dime on the national debt. They spent the Social Security surplus. We protected that.

What is so bad about giving people some of the money back to help them buy groceries, pay the utility bills, help buy the kids school clothes, help pay for the car insurance? What is bad about that? What is bad about eliminating all of the marriage tax, to say we should not penalize people simply for saying ''I do.'' That is wrong. We should not penalize small businesspeople and people who own farms and pay taxes on them every year and then when they die, the government gets 55 percent of the farm. Why would we be supportive of that? What is bad about allowing people who have kids to not write off $500 per child, but $1,000 per child? What is bad about that? I do not understand this.

There are two philosophies here in play. One says we want to keep the money in Washington and spend it on Washington programs to create power for ourselves. There is another philosophy that says we want to take six pennies of every dollar that comes into the system and give it back to the American people. Vote no on this substitute and yes on final passage.

Mr. RANGEL. Mr. Speaker, I yield 1 minute to the gentleman from Rhode Island (Mr. LANGEVIN).

(Mr. LANGEVIN asked and was given permission to revise and extend his remarks.)

Mr. LANGEVIN. Mr. Speaker, I rise today in strong opposition to H.R. 3 because it flies in the face of the disciplined approach to spending, commitment to paying down the national debt and responsible tax relief that I have always advocated.

In my home State of Rhode Island, the Republican plan will leave out an estimated 34,000 families and their 68,000 children because they do not have Federal income tax liability. A full 25 percent of Rhode Island's families with children would not see a cent under H.R. 3.

That is why I have cosponsored and will vote today for the Democratic substitute. I support a tax package that provides relief to everyone who pays Federal income or payroll taxes. This plan is fiscally responsible and offers immediate and fair relief for middle- and low-income families. What is more, the Rangel substitute will leave enough room for us to make substantial progress in paying down the national debt, a goal which should inform every aspect of our budget policy.

Therefore, I urge my colleagues to support the Democratic substitute and vote against the underlying bill.

Mr. Speaker, I rise today in strong opposition to H.R. 3, the Economic Growth and Tax Relief Act, because it flies in the face of the disciplined approach to spending, commitment to paying down the national debt, and responsible tax relief that I have advocated since I entered public service 15 years ago. Instead, as a co-sponsor of the Democratic substitute, I support a tax package that would give relief to those who need and deserve it the most.

As rosy as the budget surplus projections look now, it is important to remember that they are in fact only that: projections. We cannot assume that these projections guarantee a decade or more of windfall revenues, and such a rash conclusion could lead to our debt spiraling further out of control. A simple trigger mechanism would halt the implementation of tax cuts if the surplus does not materialize. This precaution would safeguard our budget against inaccurate projections, but H.R. 3 fails to include such commonsense protection.

I would also remind my colleagues that Congress is required to pass a budget resolution at the beginning of each year precisely because Members need to know what funding levels are feasible for a broad range of critical federal programs. Otherwise, Congress risks spending money the government does not have, which is exactly what will occur with the passage of H.R. 3.

Let us not forget that just recently we struggled with annual deficits of up to $290 billion, a national debt of $5.6 trillion, and interest-only payments on that debt of $300 billion annually. Put into perspective, those interest payments represented more than we were spending on Medicare, and almost as much as our entire national defense budget.

Retiring the national debt is a paramount concern that should inform every aspect of our budget policy. I want to be secure in the knowledge that our debt will continue to be reduced and our children and grandchildren will not have to shoulder the burden of our recklessness. In addition, paying down the debt will result in one of the best tax cuts we can provide to America's working families. Reduction and elimination of the debt will ensure low interest rates and a sound long-term economic future for the nation.

We all want to reward hard-working families by returning some of their tax dollars, but this cannot come at the expense of our nation's future fiscal well-being, nor should we adopt an approach that is so disproportionately skewed toward the wealthy. I have strong reservations about the size of the across-the-board tax cut included in H.R. 3 and the inadequate number of taxpayers who would benefit from it. Under this measure, an estimated 34,000 families with children, 68,000 children to be exact, in my home state of Rhode Island would not benefit from the proposed rate cut because they do not have federal income tax liability. In other words, 25 percent of Rhode Island families with children would not see a cent of the Republican tax cut!

While they would see no benefit from an income tax cut, these struggling families would still be required to pay the same payroll tax as wealthier Rhode Islanders, which is a significantly higher percentage of their income. For most families, the largest federal tax burden is their payroll tax, not the income tax. Furthermore, all families must pay state and local taxes—again, low-income families pay a considerably larger percentage of their income in such taxes than wealthier families. That is why H.R. 3 is not a tax cut for all but rather the few. And that is why I cannot support this bill in its current form.

Instead, I am cosponsoring the Democratic substitute with the Ranking Member of the Ways and Means Committee, because it is fiscally responsible and offers immediate and fair tax relief for middle- and lower-income families. This measure would create a new 12 percent tax bracket, give all Americans an across-the-board tax cut, and give those working families who pay only payroll and federal excise taxes a refund through expansion of the Earned Income Tax Credit. It also provides marriage tax penalty relief by doubling the standard deduction for married couples and leaves room in the budget for consideration of estate tax relief in the future. Most important of all, under our alternative, families with children who earn less than $65,000 will receive equal or larger tax breaks than under the Administration's proposal.

I ask my colleagues to consider all of our nation's needs. Without a doubt, taxpayers deserve relief. But they also deserve a strengthened Social Security system, a Medicare program that covers necessary prescription drugs, a military that is equipped to protect our nation, a quality health care system that is affordable and accessible to every family, and a world-class educational system that prepares our children for the 21st century. These needs are great and they must not be ignored. Because—at the end of the day—I refuse to look into the eyes of our elderly, our children, our soldiers and our working families and tell them that I traded their futures for those of the wealthy.

Mr. RANGEL. Mr. Speaker, I yield 1 minute to the gentlewoman from Florida (Ms. BROWN).

Ms. BROWN of Florida. Mr. Speaker, here we go again, another round of voodoo economics and another huge tax cut for the rich. I encourage my colleagues to consider the terrible situation in my home State of Florida, where massive tax breaks for the rich have come at the expense of much needed services for the poor.

Yesterday, Florida Governor Bush called for even more tax breaks for the rich while continuing to neglect some of the most pressing issues facing Florida residents. The Bush tax cuts are like the Reagan cuts that devastated our economy with huge debts, skyrocketing unemployment and high interest rates. We have been down that road before and it took us 20 years to crawl out of that mess.

I would like to remind my Republican colleagues that the American people did not support the Bush plan. We would not be in this mess if the coup had not taken place in Florida. There is no mandate for the Bush plan. He did not win the election. And the majority of the people did not vote for this irresponsible action of this Congress.

Mr. RANGEL. Mr. Speaker, I yield 1 minute to the gentleman from South Carolina (Mr. SPRATT), the ranking Democrat on the Committee on the Budget.

(Mr. SPRATT asked and was given permission to revise and extend his remarks.)

Mr. SPRATT. Mr. Speaker, in 1 minute this chart says it all. These are the reasons we cannot support this tax bill. It starts with the surplus, a blue sky surplus estimated at $5.6 trillion. We then back out what everybody agrees we should back out, the surplus in Social Security, the surplus in Medicare. That gives us an available surplus of $2.527 trillion. And what is the cost of this tax cut? When we add debt service, associated debt service, and when we also add the cost of extenders we know will be provided and the cost of fixing the AMT, it is $2.3 trillion. That leaves $207 billion to cover other priorities and Social Security. It leaves no room for error, no room for other priorities, no room for Social Security and Medicare.

That is why we are offering a much more moderate substitute that is balanced and will provide for all of these things, including tax reduction.

Mr. THOMAS. Mr. Speaker, it is my pleasure to yield 3 minutes to the gentleman from Texas (Mr. ARMEY), the majority leader.

Mr. ARMEY. Mr. Speaker, I thank the gentleman for yielding me this time, and I want to thank the gentleman from California for his leadership as well.

Mr. Speaker, I have to say I chuckle at what I am hearing here today. Actually I am amazed. I am hearing all these reasons why we should not give people tax relief. Have we ever before heard so many reasons for not doing the right thing?

''It's too big.'' ''It's too soon.'' ''What's the rush?'' ''It's too risky.'' ''People don't want it.'' ''We can't afford it.'' ''You've got the cart before the horse.''

Beam me up, Mr. Speaker.

This bill, Mr. Speaker, is the least we can do.

The American people are paying the highest taxes in peacetime history. Families pay more in taxes than they do on food, clothing and shelter combined. We have had 15 years of tax rate increases and retroactive tax hikes. Americans now work 1 hour and 57 minutes out of each working day just to pay taxes to Washington. The American people are working hard. They produced these huge tax surpluses. They have earned some relief. They now deserve something, this year.

Mr. Speaker, this tax relief is the least we can do.

Mr. Speaker, the American people are nervous. They see the economy slowing, they see their neighbors losing their jobs, they see their 401(k)s and their mutual funds shrinking, while their energy bills double, triple and even, in California, quadruple. Their credit card debts are going up. They expect us to do something.

Mr. Speaker, this tax relief is the least we can do.

Over the next 10 years, taxpayers will be overcharged by a staggering $5.6 trillion. Even after paying down the payable debt, and funding all our priorities, Washington will still be awash in cash surpluses. If we do not get that money out of town, it will either be spent or it will be used to start buying into the private economy. Either way, the government will grow and personal freedom will suffer, unless we get our fiscal house in order now. We need to get that money out of Washington and in the pockets of the American people, and we need to do this as soon as possible.

And, Mr. Speaker, this tax relief is the least we can do.

Eight years ago, President Clinton raised taxes, retroactively. Two years ago, he vetoed $792 billion worth of tax reduction that would have stimulated this economy and would have helped to avoid the current malaise. He later vetoed marriage tax relief. He vetoed death tax relief. He even vetoed the repeal of the Spanish-American War telephone tax. And last year some in the House Democrat leadership actually opposed our bill to promote retirement savings, a bill that passed with over 400 votes. Obviously the Beltway liberal elites just do not want tax relief. They have delayed and obstructed long enough. The time for action, Mr. Speaker, is now.

And, Mr. Speaker, this tax relief is the least we can do.

But it is not all we should do. This is just the beginning. We are going to do a lot more. We are going to eliminate the unfair marriage penalty tax. We are going to eliminate the immoral death tax. We are going to promote retirement savings. We are going to help people afford health insurance. And as we fight for fairness, we should not be bound by some artificial number. We should do what is right for the American people. Because, Mr. Speaker, it is their money. They earned it. They produced it. It is theirs.

And this tax relief, Mr. Speaker, is the least we can do.

Mr. Speaker, some people here are saying, ''Enough already.'' Let me tell you, there is a whole lot more to come.

Mr. RANGEL. Mr. Speaker, I yield the balance of my time to the gentleman from Missouri (Mr. GEPHARDT), a voice of reason, the minority leader of the Democratic Party.

(Mr. GEPHARDT asked and was given permission to revise and extend his remarks.)

Mr. GEPHARDT. Mr. Speaker, I rise to ask Members to vote against the tax bill offered by the Committee on Ways and Means and to vote for the substitute offered by the gentleman from New York (Mr. RANGEL). I arrive at that position for a number of reasons.

First, I think that it is wrong to be taking up a tax bill without a budget. In fact, without even spending a moment deciding what the budget will say. By assigning 900 and some odd billion dollars to a tax cut that this bill encompasses, we are making decisions that will make it difficult, or different at least, to make other decisions that we might want to make in the budget, how much debt we are going to pay down, how much we are going to assign to defense or education or health care or all the other functions that are in the budget.

□ 1630

So the cart is in front of the horse, and we should be waiting for this tax bill until we have considered the budget.

A second reason that I urge Members to look at the Democratic alternative is because the forecasts that are the premise of the context for this tax cut bill so often are wrong. In fact, CBO recently said that they are always wrong. Now, sometimes they are better than we thought they were going to be; sometimes they are worse.

The other day the weather forecasters said we were going to have a big snowstorm in the Northeast. A lot of us listened to that forecast. People decided not to fly. Flights were cancelled. Airports were closed. People stayed home from work. People went and got shovels and bought water and flour and bread. Then it did not snow. When it did not snow, none of us were surprised because often weather forecasts are wrong.

We are taking an action today, if we vote for this bill, that really leaves us less alternatives in case the forecasts are wrong. Why would we want to do that?

The third argument I would make is that the thing we have to keep most on our mind is what action can we take that will best help the economy, that will make the economy go forward?

I had lunch the other day with a very wealthy individual, and he said why are you doing this big tax cut?

I used a lot of the arguments that my friends on the other side of the aisle make, and that I believe and we all believe, and that is we have a big surplus and we ought to give taxpayer money back to taxpayers. That is the right thing to do. That will help the economy.

He said, yes, a tax cut of a reasonable size will be helpful to people, but he said remember the most helpful thing to all of us is keeping the economy working. Then he said, think about this: 1 percent off interest rates would pick up for an average family of four about $1,500 a year savings in car payments and house payments. If we add that to a reasonable tax cut, he said, maybe $800 a year, we are going to wind up putting more money in those people's pockets than by the larger tax cut that would probably keep interest rates up.

We have to keep in our mind that the goal here is to keep the economy moving, to keep unemployment down, to keep growth up, and one of the best ways to do that is to keep interest rates down.

So I argue today, think about what this does to the economy and to ordinary families in this country who pay interest rates every month.

Another reason that I think we need to reconsider this tax cut and to go for the smaller alternative is because it allows us to take care of other alternatives in the budget.

The President has talked very dramatically about what he wants to do in education. Query: Will we have the funds to do what he wants to do, what we want to do, in education? Will we be able to take care of Medicare and Social Security?

Ken Conrad, the other day, made a very important statement. He said we could make a mistake on a tax cut in 1981 but we did not have $4 trillion in debt at the time and we did not have the baby boomers come into the Social Security fund 9 years from now. We all voted 2 weeks ago to put Medicare in a lockbox. The budget the President sent that encompasses the tax bill, part of which is on the floor today, invades the Medicare Trust Fund. The lockbox has already been picked if we vote for this kind of a tax bill.

Do we really want to do that? I do not think so.

Then there is the issue of fairness. If we are going to deliver tax relief, let us deliver it to the people who most need it. We have 12 million families in this country with 24 million children who will not get one red cent out of the Republican tax cut. They pay payroll taxes. They do not pay a lot of income taxes. Our tax bill, on the other hand, delivers real help to them.

Finally, let me simply say this: President Bush came just a few days ago to this Chamber. He came to Washington just a few weeks ago to be inaugurated, and he said he wants to be the uniter and not the divider. He said he wants to change the culture in this town; he wants to compromise; he wants to work with all parties and all people to put together compromise, bipartisan solutions to our problems. His rhetoric has been welcome. The American people want us to work together in the middle to get things done, but I must say with all due respect that this tax-cut bill, coming without a budget, is another my-way-or-the-highway approach to legislating in this Congress.

The President, my friends on the other side of the aisle, could easily sit down with the Democrats on the Committee on Ways and Means, and we could reach an honest compromise on taxes.

Everybody in this Chamber is for tax cuts. It is a question of how much they cost and to whom they go. Surely in the spirit of real compromise, we could come together and find an answer to this question that would get 400 votes on this floor today. We could do that. I believe that with all my heart.

So I say to my friends on the other side of the aisle, let us stop this approach to legislating. We are going to have a bipartisan retreat this weekend and we go in the spirit of trying to find bipartisan answers, but we cannot just be bipartisan in West Virginia. We have to be bipartisan in this building, and we have to work together and do the hard work of finding those compromises that we can both live with. We should have a tax bill on this floor today that gets over 400 votes. The American people would appreciate it, and I believe that it is what the American people told us they want us to do in the election of November. Vote against this bill. Vote for the Democratic alternative. Let us do better the next time.

Mr. THOMAS. Mr. Speaker, I yield the remainder of the time to the gentleman from Illinois (Mr. HASTERT), the leader of the House of Representatives, the Speaker of the House, who has decided with his leadership that there does not need to be another time.

Mr. HASTERT. Mr. Speaker, I rise today in support of the Economic Growth and Tax Relief Act of 2001. The name of this legislation is significant for two reasons. First, this bill promotes economic growth by returning money to the private sector, alias the American taxpayer.

Who among us can say that the economy does not need a little encouragement? Consumer confidence is down. Energy prices are up. Economic growth is stagnant. The economy needs a boost, and this tax relief will provide that boost.

It will give consumers more money to pay off credit card bills. It will give families more resources to pay off high energy bills, and it will give parents more money to pay for education expenses.

It will give the private sector more money so it can grow more.

Second, this tax bill gives taxpayers some relief also. Mr. Speaker, taxpayers need some relief. They need relief from the highest tax burden put on taxpayers since the end of the second world war.

Many of these tax incentives were put on taxpayers to help balance the budget. Well, the budget is balanced. In fact, we now have the largest tax surplus in our Nation's history. That means the American people are paying too much in taxes, giving too much of their money to the government and not enough money to their families. Now is the time to give taxpayers some relief.

I have heard criticism on this floor from some of our friends on the other side of the aisle and it is based on that we do not have the process right. Well, let me say, when we talk about process and we look at giving people a retroactive tax cut this year, I remember this year's budget, we passed it last year. We set aside 90 percent of that surplus, non-Social Security Medicare surplus, 90 percent of it, to pay down the debt. We took 10 percent of it to give people a tax break. Well, we passed tax relief out of this House and out of the Senate and we sent it down to the other end of Pennsylvania avenue, and President Clinton vetoed that.

We have $8 billion set aside in this year's budget to give people a retroactive tax break. We ought to do it. It is there. We owe it to the American people. It is the right thing to do.

I have heard that the argument is based on process and not on substance. Well, we need to look at substance. I know that many of my colleagues really want to be for tax relief, but for political reasons they are now opposed to it. Tax relief goes to the heart of what this country is all about. There are three things that can be done with a surplus. Some of it we need to spend. We are going to spend some money on education and defense and the needs of our people across this country. We are going to take some of that money, and as of September 30 of this year we will pay down $600 billion in public debt. We need to do that, but we need to take a fraction of that surplus and we need to give it back to the American people so that they have it in their pocket, so that they can make decisions how they are going to spend that money for their families and their future and education and the needs of their debt, their credit card debt.

I do not think we ought to let politics get in the way of taking care of the needs of the American people.

I remember in 1996 standing in this Chamber. In 1996, we were able to pass one of the first tax relief bills in a long time, almost over a decade. As we finished the business of the day and we went into special orders, I stood over there underneath the balcony and one of my colleagues who happened to be from Illinois on the other side of the aisle stood up and he was giving a very, very impassioned speech why we should not have tax relief for the American people; that we had a lot of responsibilities; we need to spend that money.

He made a statement and said, the American government cannot afford to give this money back to the American people. There was a fellow that stood right up there in that gallery and he came to the front of the gallery and said, ''What do you mean? It is our money.''

Well, Mr. Speaker, the guards came up and dragged that guy out and we never heard from him again; but I will say something, that that gentleman was right, it is their money. It is the money of the American taxpayers. They deserve some of it back. When we pay too much to Uncle Sam, he ought to give some back. Do not let politics get in the way of economic growth. Vote for this common sense tax bill. Vote for a growing economy and tax relief for the American people.

Ms. JACKSON-LEE of Texas. Mr. Speaker, I rise in opposition of H.R. 3 which provides for only one amendment of this major piece of legislation. The Republican Leadership has simply pushed this legislation to the floor with irresponsible tax proposals that will exceed $2 trillion. I must oppose this legislation which disproportionately and overwhelmingly benefits the wealthiest Americans.

Mr. Speaker, these tax cuts would go to one percent of taxpayers with the highest incomes—a group whose incomes have soared in recent years and have risen much more rapidly than the incomes of the rest of the population—and would exceed the new resources proposed for all other national priorities combined.

The bill reduces federal revenues by $958.2 billion over 10 years, and represents the first installment of President Bush's proposed $1.62 trillion tax cut plan, accounting for 60 percent of the total cost of the president's proposal. If enacted, Mr. Speaker, it would effect the first reduction in federal income tax rates since 1981.

H.R. 3 reduces and restructures federal income tax rates by consolidating, over a period ending in 2006, the five current rates of 15 percent, 28 percent, 31 percent, 36 percent and 39.6 percent into four rates—10 percent, 15 percent, 25 percent and 33 percent. The net effect of these changes, however, would have a number of adverse consequences for Americans.

For example, a third to one-half of children in many states live in families that would not receive any tax reduction from the President's tax proposal, according to a new analysis from the Center on Budget and Policy Priorities. In 12 states plus the District of Columbia, at least 40 percent of children live in such families. The analysis uses Census Bureau data to estimate, on a state-by-state basis, the number of families' whose incomes are too low for them to owe federal income taxes. The large majority of these families, however, work and pay payroll taxes and other taxes unaffected by President Bush's proposal. H.R. 3 reduces only income taxes and taxes on large estates.

This legislation simply is inadequate because substantial numbers of children in every state would not benefit from the President's plan. Some states would have especially high numbers of unaffected children. These states include my state of Texas (2.3 million children unaffected), California (3.7 million), New York (1.9 million), and Florida (1.2 million). In each of another eight states—Arizona, Georgia, Illinois, Michigan, North Carolina, Ohio, Pennsylvania, and Tennessee—families with at least half a million children would gain nothing from H.R. 3, the proposed tax plan.

Nationwide, an estimated 12.2 million low—and moderate income families with children—31.5 percent of all families with children—would not receive any tax reduction from the Bush proposal. This funding is consistent with independent analyses conducted by the researchers from the Brookings Institution, the Urban Institute, and the Institute on Taxation and Economic Policy. The vast majority of the excluded families include workers.

The tax plan under consideration would squander all of the funds necessary for critical investments in the future. We cannot afford to forgo a surplus that needs to be used for education, prescription drugs, and ensuring the solvency of Social Security and Medicare.

For these reasons, I look forward to supporting the Democratic Substitute that provides immediate and fair tax relief for middle income families and is also fiscally responsible. A new 12 percent tax bracket would be created, thereby giving an across-the board rate cut for all Americans—but one which will overwhelmingly benefit middle income taxpayers.

The tax plan numbers contained in H.R. 3 just do not add up, and the surplus estimates that have been used are completely unreliable. Accordingly, I want to urge my colleagues to oppose H.R. 3 and support the Democratic Substitute that will be offered.

Mr. HONDA. Mr. Speaker, the Majority today is shortchanging middle and lower income families by giving $688 billion to the wealthiest 1 percent of Americans. Imagine if we gave $688 billion to the poorest individuals in our nation? Why does this budget seem any less extreme? Our budget surplus is money that belongs to the American people. Let us also remember that the deficits and damage that will be caused by this plan will belong to all of us as well.

Budgets are about choices. American families make these important choices everyday as they plan for the future. On behalf of the American people I urge my colleagues to think about our budget as families think about theirs—as if the lives of your children depended upon it. Imagine if you had not saved for your retirement, that you owed money on your credit cards and you could not afford health insurance and then you came into some extra money that could pay off most of these obligations. Would you spend the money on a new sports car or secure your family's future by living up to your obligations? Fiscal discipline and common sense tell us that we must take care of these important obligations to secure the future of this great nation—we have no greater obligation to the families of the United States of America. For their sake, I urge all of you not to buy the sports car by voting for the majority plan and instead meet your obligations by voting for the prudent and balanced alternative.

The SPEAKER pro tempore (Mr. LaHood). Pursuant to House Resolution 83, the previous question is ordered on the bill, as amended, and on the amendment in the nature of a substitute by the gentleman from New York (Mr. Rangel).

The question is on the amendment in the nature of a substitute by the gentleman from New York (Mr. Rangel).

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

Mr. RANGEL. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The Chair will reduce to a minimum of 5 minutes the period of time within which a vote by electronic device, if ordered, will be taken on any question incidental to questions on adopting the amendment.

The vote was taken by electronic device, and there were—yeas 155, nays 273, not voting 5, as follows:

[Roll No. 42]

YEAS—155

Abercrombie
Allen
Baca
Baird
Baldacci
Baldwin
Barcia
Barrett
Becerra
Berkley
Berman
Bishop
Blagojevich
Blumenauer
Bonior
Boswell
Boucher
Boyd
Brown (FL)
Brown (OH)
Capps
Capuano
Cardin
Carson (IN)
Carson (OK)
Clay
Clayton
Clement
Condit
Coyne
Cramer
Crowley
Cummings
Davis (CA)
Davis (IL)
DeFazio
DeGette
Delahunt
DeLauro
Deutsch
Dicks
Dingell
Dooley
Doyle
Edwards
Engel
Eshoo
Etheridge
Evans
Farr
Filner
Frank
Frost
Gephardt
Gonzalez
Gordon
Green (TX)
Gutierrez
Hall (OH)
Hastings (FL)
Hilliard
Hinchey
Hinojosa
Holt
Honda
Hooley
Hoyer
Inslee
Israel
Jackson-Lee (TX)
Jefferson
John
Johnson, E. B.
Kennedy (RI)
Kildee
Kilpatrick
Kind (WI)
Kleczka
Kucinich
LaFalce
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Levin
Lewis (GA)
Lofgren
Lowey
Luther
Maloney (CT)
Maloney (NY)
Markey
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McGovern
McIntyre
McKinney
McNulty
Meehan
Meek (FL)
Menendez
Millender-McDonald
Miller, George
Mink
Moakley
Moran (VA)
Nadler
Napolitano
Neal
Oberstar
Obey
Olver
Ortiz
Owens
Pallone
Pascrell
Payne
Pelosi
Pomeroy
Price (NC)
Rangel
Reyes
Rivers
Rodriguez
Roemer
Rothman
Roybal-Allard
Rush
Sabo
Sanders
Sawyer
Scott
Sherman
Slaughter
Smith (WA)
Solis
Spratt
Stark
Strickland
Tierney
Turner
Udall (CO)
Udall (NM)
Velazquez
Watt (NC)

Waxman
Weiner
Wexler
Woolsey
Wu
Wynn

NAYS—273

Aderholt
Akin
Andrews
Armey
Bachus
Baker
Ballenger
Barr
Bartlett
Barton
Bass
Bentsen
Bereuter
Berry
Biggert
Bilirakis
Blunt
Boehlert
Boehner
Bonilla
Bono
Borski
Brady (PA)
Brady (TX)
Brown (SC)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Cannon
Cantor
Capito
Castle
Chabot
Chambliss
Clyburn
Coble
Collins
Combest
Conyers
Cooksey
Costello
Cox
Crane
Crenshaw
Cubin
Culberson
Cunningham
Davis (FL)
Davis, Jo Ann
Davis, Tom
Deal
DeLay
DeMint
Diaz-Balart
Doggett
Doolittle
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
English
Everett
Fattah
Ferguson
Flake
Fletcher
Foley
Ford
Fossella
Frelinghuysen
Gallegly
Ganske
Gekas
Gibbons
Gilchrest
Gillmor
Gilman
Goode
Goodlatte
Goss
Graham
Granger
Graves
Green (WI)
Greenwood
Grucci
Gutknecht
Hall (TX)
Hansen
Harman
Hart
Hastert
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hill
Hilleary
Hobson
Hoeffel
Hoekstra
Holden
Horn
Hostettler
Houghton
Hulshof
Hunter
Hutchinson
Hyde
Isakson
Issa
Istook
Jackson (IL)
Jenkins
Johnson (CT)
Johnson (IL)
Johnson, Sam
Jones (NC)
Jones (OH)
Kanjorski
Kaptur
Keller
Kelly
Kennedy (MN)
Kerns
King (NY)
Kingston
Kirk
Knollenberg
Kolbe
LaHood
Largent
Latham
LaTourette
Leach
Lee
Lewis (KY)
Linder
Lipinski
LoBiondo
Lucas (KY)
Lucas (OK)
Manzullo
Matheson
McCrery
McDermott
McHugh
McInnis
McKeon
Meeks (NY)
Mica
Miller (FL)
Miller, Gary
Mollohan
Moore
Moran (KS)
Morella
Murtha
Myrick
Nethercutt
Ney
Northup
Norwood
Nussle
Osborne
Ose
Otter
Oxley
Pastor
Paul
Pence
Peterson (MN)
Peterson (PA)
Petri
Phelps
Pickering
Pitts
Platts
Pombo
Portman
Pryce (OH)
Putnam
Quinn
Radanovich
Rahall
Ramstad
Regula
Rehberg
Reynolds
Riley
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Ross
Roukema
Royce
Ryan (WI)
Ryun (KS)
Sanchez
Sandlin
Saxton
Scarborough
Schaffer
Schakowsky
Schiff
Schrock
Sensenbrenner
Serrano
Sessions
Shadegg
Shaw
Shays
Sherwood
Shimkus
Simmons
Simpson
Sisisky
Skeen
Smith (MI)
Smith (NJ)
Smith (TX)
Snyder
Souder
Spence
Stearns
Stenholm
Stump
Sununu
Sweeney
Tancredo
Tanner
Tauscher
Tauzin
Taylor (MS)
Taylor (NC)
Terry
Thomas
Thompson (CA)
Thompson (MS)
Thornberry
Thune
Thurman
Tiahrt
Tiberi
Toomey
Towns
Traficant
Upton
Visclosky
Vitter
Walden
Walsh
Wamp
Waters
Watkins
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
Whitfield
Wicker
Wilson
Wolf
Young (AK)
Young (FL)

NOT VOTING—5

Ackerman
Lewis (CA)
Shows
Skelton
Stupak

□ 1707

Messrs. MILLER of Florida, SIMMONS, TIBERI, NUSSLE, SERRANO, MEEKS of New York, and CONYERS changed their vote from ''yea'' to ''nay.''

Ms. ROYBAL-ALLARD and Mr. ORTIZ changed their vote from ''nay'' to ''yea.''

So the amendment in the nature of a substitute was rejected.

The result of the vote was announced as above recorded.

MOTION TO RECONSIDER OFFERED BY MR. BERRY

Mr. BERRY. Mr. Speaker, I move to reconsider the vote whereby the amendment in the nature of a substitute was rejected.

MOTION TO TABLE OFFERED BY MR. THOMAS

Mr. THOMAS. Mr. Speaker, I move to lay the motion to reconsider on the table.

The SPEAKER pro tempore (Mr. LAHOOD). The question is on the motion to table offered by the gentleman from California (Mr. THOMAS).

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. BERRY. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. This will be a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 228, nays 197, not voting 8, as follows:

[Roll No. 43]

YEAS—228

Aderholt
Akin
Bachus
Baker
Barr
Bartlett
Barton
Bass
Bereuter
Biggert
Bilirakis
Blunt
Boehlert
Boehner
Bonilla
Bono
Brady (TX)
Brown (SC)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Cannon
Cantor
Capito
Castle
Chabot
Chambliss
Coble
Collins
Combest
Condit
Cooksey
Cox
Cramer
Crane
Crenshaw
Cubin
Culberson
Cunningham
Davis (FL)
Davis, Jo Ann
Davis, Tom
Deal
DeLay
DeMint
Diaz-Balart
Doolittle
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
English
Everett
Ferguson
Flake
Fletcher
Foley
Fossella
Frelinghuysen
Gallegly
Ganske
Gekas
Gibbons
Gilchrest
Gillmor
Gilman
Goode
Goodlatte
Goss
Graham
Granger
Graves
Green (WI)
Greenwood
Grucci
Gutknecht
Hall (TX)
Hansen
Hart
Hastert
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hill
Hilleary
Hobson
Hoekstra
Horn
Hostettler
Houghton
Hulshof
Hunter
Hutchinson
Hyde
Isakson
Issa
Istook
Jenkins
Johnson (CT)
Johnson (IL)
Johnson, Sam
Jones (NC)
Keller
Kelly
Kennedy (MN)
Kerns
King (NY)
Kingston
Kirk
Knollenberg
Kolbe
LaHood
Largent
Latham
LaTourette
Leach
Lewis (KY)
Linder
Lipinski
LoBiondo
Lucas (KY)
Lucas (OK)
Manzullo
McCrery
McHugh
McInnis
McKeon
Mica
Miller (FL)
Miller, Gary
Moore
Moran (KS)
Morella
Myrick
Nethercutt
Ney
Northup
Norwood
Nussle
Osborne
Ose
Otter
Oxley
Paul
Pence
Peterson (MN)
Peterson (PA)
Petri
Pickering
Pitts
Platts
Pombo
Portman
Pryce (OH)
Putnam
Quinn
Radanovich
Ramstad
Regula
Rehberg
Reynolds
Riley
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Roukema
Royce
Ryan (WI)
Ryun (KS)
Saxton
Scarborough
Schaffer
Schrock
Sensenbrenner
Shadegg
Shaw
Shays
Sherwood
Shimkus
Simmons
Simpson
Skeen
Smith (MI)
Smith (NJ)
Smith (TX)
Snyder
Souder
Spence
Stearns
Stump
Sununu
Sweeney
Tancredo
Tauzin
Taylor (NC)
Terry
Thomas
Thornberry
Thune
Tiahrt
Tiberi
Toomey
Traficant
Upton
Vitter
Walden
Walsh
Wamp
Watkins
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
Whitfield
Wicker
Wilson
Wolf
Young (AK)
Young (FL)

NAYS—197

Abercrombie
Allen
Andrews
Baca
Baird
Baldacci
Baldwin
Barcia
Barrett
Becerra
Bentsen
Berkley
Berman
Berry
Bishop
Blagojevich
Blumenauer
Bonior
Borski
Boswell
Boucher
Boyd
Brady (PA)
Brown (FL)
Brown (OH)
Capps
Capuano
Cardin
Carson (IN)
Carson (OK)
Clay
Clayton
Clement
Clyburn
Conyers
Costello
Coyne
Crowley
Cummings
Davis (CA)
Davis (IL)
DeFazio
DeGette
Delahunt
DeLauro
Deutsch
Dicks
Dingell
Doggett
Dooley
Doyle
Edwards
Engel
Eshoo
Etheridge
Evans
Farr
Fattah
Filner
Ford
Frank
Frost
Gephardt
Gonzalez
Gordon
Green (TX)
Gutierrez
Hall (OH)
Harman
Hastings (FL)
Hilliard
Hinchey
Hinojosa
Hoeffel
Holden
Holt
Honda
Hooley
Hoyer
Inslee
Israel
Jackson (IL)
Jackson-Lee (TX)
Jefferson
John
Johnson, E. B.
Jones (OH)
Kanjorski
Kaptur
Kennedy (RI)
Kildee
Kilpatrick
Kind (WI)
Kleczka
Kucinich
LaFalce
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Lee
Levin
Lewis (GA)
Lofgren
Lowey
Luther
Maloney (CT)
Maloney (NY)
Markey
Mascara
Matheson
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McDermott
McGovern
McIntyre
McKinney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Millender-McDonald
Miller, George
Mink
Moakley
Mollohan
Moran (VA)
Murtha
Nadler
Napolitano
Neal
Oberstar
Obey
Olver
Ortiz
Owens
Pallone
Pascrell
Pastor
Payne
Pelosi
Phelps
Pomeroy
Price (NC)
Rahall
Rangel
Reyes
Rivers
Rodriguez
Roemer
Ross
Rothman
Roybal-Allard
Rush
Sabo
Sanchez
Sanders
Sandlin
Sawyer
Schakowsky
Schiff
Scott
Serrano
Sherman
Sisisky
Slaughter
Smith (WA)
Solis
Spratt
Stark
Stenholm
Strickland
Tanner
Tauscher
Taylor (MS)
Thompson (CA)
Thompson (MS)
Thurman
Tierney
Towns
Turner
Udall (CO)
Udall (NM)
Velazquez
Visclosky
Waters
Watt (NC)
Waxman
Weiner
Wexler
Woolsey
Wu
Wynn

NOT VOTING—8

Ackerman	Lewis (CA)	Skelton
Armey	Sessions	Stupak
Ballenger	Shows	

□ 1716

So the motion to table was agreed to.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore (Mr. LAHOOD). The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT OFFERED BY MR. STENHOLM

Mr. STENHOLM. Mr. Speaker, I offer a motion to recommit.

The SPEAKER pro tempore (Mr. LAHOOD). Is the gentleman opposed to the bill?

Mr. STENHOLM. I most certainly am in its current form, Mr. Speaker.

The SPEAKER pro tempore. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. STENHOLM moves to recommit the bill H.R. 3 to the Committee on Ways and Means with instructions not to report the same back to the House before April 15, 2001 (the date set forth in section 300 of the Congressional Budget Act of 1974 as the date that Congress completes action on the concurrent resolution on the budget) unless Congress has completed action on the concurrent resolution on the budget for fiscal year 2002 before that date.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Texas (Mr. STENHOLM) is recognized for 5 minutes on his motion to recommit.

Mr. STENHOLM. Mr. Speaker, this motion to recommit is very straightforward. It simply requires that we do what the law requires us to do, what any family or small business has to do, put in place a budget before we make decisions that will affect our Nation's finances for the next decade and beyond.

This debate is not about whether we should cut taxes. Everyone in this body agrees that the American people deserve tax relief. The Blue Dogs have repeatedly called for the largest tax cut we can afford that fits within the context of a fiscally responsible long-term budget framework.

Within an honest and responsible budget, we can eliminate the marriage penalty, provide estate tax relief for small businesses, family farmers and ranchers, and provide tax relief for every family across the Nation.

I wanted to provide tax relief through cuts in income taxes, but I also want to provide for cuts in our taxes for our children and grandchildren by eliminating the debt burden we have placed on them and leaving them with Social Security and Medicare programs that are financially sound.

But the folks I represent at home told me that their top priority for the surplus is paying down our national debt and strengthening Social Security and Medicare. They understand that the best tax cut we can give them is lower interest rates on their credit cards, car loans and mortgages by paying down the debt.

Last week, the President came to this very Chamber and spoke to us about his plans for our Nation's budget. I found myself in substantial agreement with most of what he had to say. I support many of the goals he outlined in his speech, including debt reduction, strengthening Social Security and Medicare, and tax relief for all Americans. I particularly appreciated his call for cooperation and civility.

Those of us in the Blue Dog Coalition have expressed our desire to work with the President, and we have given him our pledge to be honest brokers in dealing with the issues before this Nation.

I deeply regret that this bill is being rushed to a vote under a process that contradicts the spirit of bipartisanship that the President spoke about so eloquently last week.

Many of us spent many years working extremely hard in and casting many tough votes to eliminate the deficit and put us in the position to pay down the debt. I for one do not wish to squander the opportunity and return to the era when deficit spending placed a tremendous drag on our economy and ran up 5 trillion 700 billion dollars of national debt that is still with us today.

The budget blueprint the President submitted last week is the first step of the budget process. Now, those of us who were elected to represent our constituents in Congress have a responsibility and an obligation to thoroughly examine the details of the President's budget and have a full debate on the overall priorities as part of the regular congressional budget process before we vote on any individual elements of the plan.

The President's plan is an important voice in this process, but it is not the only voice. There are a lot of questions about how the priorities the President identified in his budget will add up without borrowing from the Social Security and Medicare Trust funds.

Likewise, many questions have been raised about what his budget means for other priorities, such as debt reduction, protecting Social Security and Medicare and deal with the needs in the areas of defense, education, health care prescription drugs, agriculture, and energy policy.

Some of us are concerned about enacting a tax cut based on projected surpluses, especially since over 70 percent of the projected surpluses will not even materialize until 2007 and beyond.

USA Today reported that the President's budget would slow down the path of debt reduction by almost $600 billion over the next several years.

Our insistence that Congress act on a budget resolution before voting on tax or spending legislation is not an argument about process or arcane budget rules; rather, it is about acting responsibly to balance priorities important to our constituents. Before we enact a tax cut, the American people deserve to know what the tax cut means for other priorities that are important to them.

I was one of the Democrats who supported President Reagan in 1981 when Congress passed a large tax cut before agreeing on the spending cuts to pay for the tax cut. The result was $4 trillion in national debt increase and increased spending of $600 billion in the 1980s alone on interest.

We cannot afford to repeat the mistake of rushing to cut taxes before considering how they will fit within a fiscally responsible budget. I lived through that experience where we allowed ourselves to believe words that sounded too good to be true. It pains me to think that we have learned nothing from our mistakes.

No family would make a major financial decision such as buying a new home without first sitting down and working out a budget to figure out whether they will be able to afford the mortgage and still meet household expenses and leave flexibility to deal with family emergencies in the future. We owe it to our constituents to follow that common sense approach to the Nation's budget by agreeing on a budget.

Mr. Speaker, Americans have become cynical of government because they are tired of politicians telling them one thing and doing another. By putting a budget in place first, Congress can ensure that it maintains fiscal discipline.

The SPEAKER pro tempore. Is the gentleman from California (Mr. THOMAS) opposed to the motion to recommit?

Mr. THOMAS. I am, Mr. Speaker.

The SPEAKER pro tempore. The gentleman from California (Mr. THOMAS) is recognized for 5 minutes in opposition to the motion to recommit.

Mr. THOMAS. Mr. Speaker, as is the tradition on major pieces of legislation, we had the minority leader close on H.R. 3, and we had the Speaker be the final speaker. I hope Members were listening to what both the minority leader and the Speaker had to say. One of the phrases that struck my ear from the minority leader was as far as taxes are concerned, it appears that it is going to be my way or the highway.

Mr. Speaker, one of the difficulties we have with that is that when you look at this motion to recommit, it really seems that the line ought to be as far as permanent rate reduction is concerned, no way.

Let us look at the motion to recommit. It says that we have to send it back to committee and wait until the budget for fiscal year 2002 is completed.

Now I know that my colleagues on the other side of the aisle had trouble with a 7-page bill. It is 7 pages. But actually you only had to get to page 2. You only had to get to page 2. Look at line 17 on page 2, what does it say. On page 2, line 17 as far as rate reductions, it says, "In case of taxable years beginning after December 31, 2000." Let us see. If it is after December 31, 2000, that means 2001.

What you heard the Speaker of the House say in the well is that we are currently in fiscal year 2001. If you are concerned about paying down the debt, then God bless you if you voted for the budget in 2001, because by the end of this fiscal year we will have paid down an additional $650 billion on the debt.

If you are so worried about the Medicare lockbox and the Social Security lockbox, if you voted for the 2001 budget, you voted for the Medicare lockbox, and you voted for the Social Security lockbox. So guess what, if you want permanent rate reduction now, all you have to do is vote down this motion to recommit.

Vote H.R. 3. We have a budget in place. It is called this year's budget because if Members ever looked at the bill, it would have told them it starts now if they vote yes. Vote down the motion to recommit. Reduce taxes now, vote yes.

The SPEAKER pro tempore. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER pro tempore. The question is on the motion to recommit.

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

RECORDED VOTE

Mr. STENHOLM. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The SPEAKER pro tempore. Pursuant to clause 9 of rule XX, the Chair will reduce to a minimum of 5 minutes the period of time within which a vote by electronic device, if ordered, will be taken on the question of passage.

The vote was taken by electronic device, and there were—ayes 204, noes 221, not voting 8, as follows:

[Roll No. 44]

AYES—204

Abercrombie
Allen
Andrews
Baca
Baird
Baldacci
Baldwin
Barcia
Barrett
Becerra
Bentsen
Berkley
Berman
Berry
Blagojevich
Blumenauer
Bonior
Borski
Boswell
Boucher
Boyd
Brady (PA)
Brown (FL)
Brown (OH)
Capps
Capuano
Cardin
Carson (IN)
Carson (OK)
Clay
Clayton
Clement
Clyburn
Condit
Conyers
Costello
Coyne
Cramer
Crowley
Cummings
Davis (CA)
Davis (FL)
Davis (IL)
DeFazio
DeGette
Delahunt
DeLauro
Deutsch
Dicks
Dingell
Doggett
Dooley
Doyle
Edwards
Engel
Eshoo
Etheridge
Evans
Farr
Fattah
Filner
Ford
Frank
Frost
Gephardt
Gonzalez
Gordon
Green (TX)
Gutierrez
Hall (OH)
Harman
Hastings (FL)
Hill
Hilliard
Hinchey
Hinojosa
Hoeffel
Holden
Holt
Honda
Hooley
Hoyer
Inslee
Israel
Jackson (IL)
Jackson-Lee (TX)
Jefferson
John
Johnson, E. B.
Jones (OH)
Kanjorski
Kennedy (RI)
Kildee
Kilpatrick
Kind (WI)
Kleczka
Kucinich
LaFalce
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Lee
Levin
Lewis (GA)
Lipinski
Lofgren
Lowey
Lucas (KY)
Luther
Maloney (CT)
Maloney (NY)
Markey
Mascara
Matheson
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McDermott
McGovern
McIntyre
McKinney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Millender-McDonald
Miller, George
Mink
Moakley
Mollohan
Moore
Moran (VA)
Murtha
Nadler
Napolitano
Neal
Oberstar
Obey
Olver
Ortiz
Owens
Pallone
Pascrell
Pastor
Payne
Pelosi
Peterson (MN)
Phelps
Pomeroy
Price (NC)
Rahall
Rangel
Reyes
Rivers
Rodriguez
Roemer
Ross
Rothman
Roybal-Allard
Rush
Sabo
Sanchez
Sanders
Sandlin
Sawyer
Schakowsky
Schiff
Scott
Serrano
Sherman
Sisisky
Slaughter
Smith (WA)
Snyder
Solis
Spratt
Stark
Stenholm
Strickland
Tanner
Tauscher
Taylor (MS)
Thompson (CA)
Thompson (MS)
Thurman
Tierney
Towns
Turner
Udall (CO)
Udall (NM)
Velazquez
Visclosky
Waters
Watt (NC)
Waxman
Weiner
Wexler
Woolsey
Wu
Wynn

NOES—221

Aderholt
Akin
Armey
Bachus
Baker
Barr
Bartlett
Barton
Bass
Bereuter
Biggert
Bilirakis
Blunt
Boehlert
Boehner
Bonilla
Bono
Brady (TX)
Brown (SC)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Cannon
Cantor
Capito
Castle
Chabot
Chambliss
Coble
Collins
Combest
Cooksey
Cox
Crane
Crenshaw
Cubin
Culberson
Cunningham
Davis, Jo Ann
Davis, Tom
Deal
DeLay
DeMint
Diaz-Balart
Doolittle
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
English
Everett
Ferguson
Flake
Fletcher
Foley
Fossella
Frelinghuysen
Gallegly
Ganske
Gekas
Gibbons
Gilchrest
Gillmor
Gilman
Goode
Goodlatte
Goss
Graham
Granger
Graves
Green (WI)
Greenwood
Grucci
Gutknecht
Hall (TX)
Hansen
Hart
Hastert
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hilleary
Hobson
Hoekstra
Horn
Hostettler
Houghton
Hulshof
Hunter
Hutchinson
Hyde
Isakson
Issa
Istook
Jenkins
Johnson (CT)
Johnson (IL)
Johnson, Sam
Jones (NC)
Keller
Kelly
Kennedy (MN)
Kerns
King (NY)
Kingston
Kirk
Knollenberg
Kolbe
LaHood
Largent
Latham
LaTourette
Leach
Lewis (KY)
Linder
LoBiondo
Lucas (OK)
Manzullo
McCrery
McHugh
McInnis
McKeon
Mica
Miller (FL)
Miller, Gary
Moran (KS)
Morella
Myrick
Nethercutt
Ney
Northup
Norwood
Nussle
Osborne
Ose
Otter
Oxley
Paul
Pence
Peterson (PA)
Petri
Pickering
Pitts
Platts
Pombo
Portman
Pryce (OH)
Putnam
Quinn
Radanovich
Ramstad
Regula
Rehberg
Reynolds
Riley
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Roukema
Royce
Ryan (WI)
Ryun (KS)
Saxton
Scarborough
Schaffer
Schrock
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Sherwood
Shimkus
Simmons
Simpson
Skeen
Smith (MI)
Smith (NJ)
Smith (TX)
Souder
Spence
Stearns
Stump
Sununu
Sweeney
Tancredo
Tauzin
Taylor (NC)
Terry
Thomas
Thornberry
Thune
Tiahrt
Tiberi
Toomey
Traficant
Upton
Vitter
Walden
Walsh
Wamp
Watkins
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
Whitfield
Wicker
Wilson
Wolf
Young (AK)
Young (FL)

NOT VOTING—8

Ackerman
Ballenger
Bishop
Kaptur
Lewis (CA)
Shows
Skelton
Stupak

□ 1746

Mr. LATHAM changed his vote from ''aye'' to ''no.''

So the motion to recommit was rejected.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore (Mr. LAHOOD). The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. THOMAS. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. This is a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 230, nays 198, not voting 5, as follows:

[Roll No. 45]

YEAS—230

Aderholt
Akin
Armey
Bachus
Baker
Barr
Bartlett
Barton
Bass
Bereuter
Biggert
Bilirakis
Bishop
Blunt
Boehlert
Boehner
Bonilla
Bono
Brady (TX)
Brown (SC)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Cannon
Cantor
Capito
Castle
Chabot
Chambliss
Clement
Coble
Collins
Combest
Condit
Cooksey
Cox
Cramer
Crane
Crenshaw
Cubin
Culberson
Cunningham
Davis, Jo Ann
Davis, Tom
Deal
DeLay
DeMint
Diaz-Balart
Doolittle
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
English
Everett
Ferguson
Flake
Fletcher
Foley
Fossella
Frelinghuysen
Gallegly
Ganske
Gekas
Gibbons
Gilchrest
Gillmor
Gilman
Goode
Goodlatte
Gordon
Goss
Graham
Granger
Graves
Green (WI)
Greenwood
Grucci
Gutknecht
Hall (TX)
Hansen
Hart
Hastert
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hilleary
Hobson
Hoekstra
Horn
Hostettler
Houghton
Hulshof
Hunter
Hutchinson
Hyde
Isakson
Issa
Istook
Jenkins
Johnson (CT)
Johnson (IL)
Johnson, Sam
Jones (NC)
Keller
Kelly
Kennedy (MN)
Kerns
King (NY)
Kingston
Kirk
Knollenberg
Kolbe
LaHood
Largent
Latham
LaTourette
Leach
Lewis (CA)
Lewis (KY)
Linder
LoBiondo
Lucas (KY)
Lucas (OK)
Manzullo
McCrery
McHugh
McInnis
McIntyre
McKeon
Mica
Miller (FL)
Miller, Gary
Moran (KS)
Morella
Myrick
Nethercutt
Ney
Northup
Norwood
Nussle
Osborne
Ose
Otter
Oxley

Paul	Ryun (KS)	Taylor (NC)
Pence	Saxton	Terry
Peterson (MN)	Scarborough	Thomas
Peterson (PA)	Schaffer	Thornberry
Petri	Schrock	Thune
Pickering	Sensenbrenner	Tiahrt
Pitts	Sessions	Tiberi
Platts	Shadegg	Toomey
Pombo	Shaw	Traficant
Portman	Shays	Upton
Pryce (OH)	Sherwood	Vitter
Putnam	Shimkus	Walden
Quinn	Simmons	Walsh
Radanovich	Simpson	Wamp
Ramstad	Skeen	Watkins
Regula	Smith (MI)	Watts (OK)
Rehberg	Smith (NJ)	Weldon (FL)
Reynolds	Smith (TX)	Weldon (PA)
Riley	Souder	Weller
Rogers (KY)	Spence	Whitfield
Rogers (MI)	Stearns	Wicker
Rohrabacher	Stump	Wilson
Ros-Lehtinen	Sununu	Wolf
Roukema	Sweeney	Young (AK)
Royce	Tancredo	Young (FL)
Ryan (WI)	Tauzin	

NAYS—198

Abercrombie	Hastings (FL)	Nadler
Allen	Hill	Napolitano
Andrews	Hilliard	Neal
Baca	Hinchey	Oberstar
Baird	Hinojosa	Obey
Baldacci	Hoeffel	Olver
Baldwin	Holden	Ortiz
Barcia	Holt	Owens
Barrett	Honda	Pallone
Becerra	Hooley	Pascrell
Bentsen	Hoyer	Pastor
Berkley	Inslee	Payne
Berman	Israel	Pelosi
Berry	Jackson (IL)	Phelps
Blagojevich	Jackson-Lee (TX)	Pomeroy
Blumenauer	Jefferson	Price (NC)
Bonior	John	Rahall
Borski	Johnson, E. B.	Rangel
Boswell	Jones (OH)	Reyes
Boucher	Kanjorski	Rivers
Boyd	Kaptur	Rodriguez
Brady (PA)	Kennedy (RI)	Roemer
Brown (FL)	Kildee	Ross
Brown (OH)	Kilpatrick	Rothman
Capps	Kind (WI)	Roybal-Allard
Capuano	Kleczka	Rush
Cardin	Kucinich	Sabo
Carson (IN)	LaFalce	Sanchez
Carson (OK)	Lampson	Sanders
Clay	Langevin	Sandlin
Clayton	Lantos	Sawyer
Clyburn	Larsen (WA)	Schakowsky
Conyers	Larson (CT)	Schiff
Costello	Lee	Scott
Coyne	Levin	Serrano
Crowley	Lewis (GA)	Sherman
Cummings	Lipinski	Sisisky
Davis (CA)	Lofgren	Slaughter
Davis (FL)	Lowey	Smith (WA)
Davis (IL)	Luther	Snyder
DeFazio	Maloney (CT)	Solis
DeGette	Maloney (NY)	Spratt
Delahunt	Markey	Stark
DeLauro	Mascara	Stenholm
Deutsch	Matheson	Strickland
Dicks	Matsui	Tanner
Dingell	McCarthy (MO)	Tauscher
Doggett	McCarthy (NY)	Taylor (MS)
Dooley	McCollum	Thompson (CA)
Doyle	McDermott	Thompson (MS)
Edwards	McGovern	Thurman
Engel	McKinney	Tierney
Eshoo	McNulty	Towns
Etheridge	Meehan	Turner
Evans	Meek (FL)	Udall (CO)
Farr	Meeks (NY)	Udall (NM)
Fattah	Menendez	Velazquez
Filner	Millender-McDonald	Visclosky
Ford	Miller, George	Waters
Frank	Mink	Watt (NC)
Frost	Moakley	Waxman
Gephardt	Mollohan	Weiner
Gonzalez	Moore	Wexler
Green (TX)	Moran (VA)	Woolsey
Gutierrez	Murtha	Wu
Hall (OH)		Wynn
Harman		

NOT VOTING—5

Ackerman	Shows	Stupak
Ballenger	Skelton	

□ 1754

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. THOMAS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the subject of H.R. 3, the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

LEGISLATIVE PROGRAM

(Mr. HOYER asked and was given permission to address the House for 1 minute.)

Mr. HOYER. Mr. Speaker, I yield to the gentleman from Ohio (Mr. PORTMAN) for the purpose of apprising us of next week's schedule.

Mr. PORTMAN. I thank my friend from Maryland for yielding to me.

Mr. Speaker, I am pleased to announce that the House has now completed its legislative business for this week.

The House will next meet for legislative business on Tuesday, March 13, at 12:30 p.m. for morning hour and 2 p.m. for legislative business. The House will consider a number of measures under suspension of the rules, a list of which will be distributed to the Members' offices tomorrow, Friday. On Tuesday, no recorded votes are expected before 6 p.m.

On Wednesday, March 14, and Thursday, March 15, the House will consider at least the following measures:

H.R. 223, the Clear Creek County Land Disposal Act,

H.R. 880, the Washington County Land Acquisition Act, and

H.R. 725, the Made in America Information Act.

Mr. Speaker, again I thank the gentleman for yielding. Of course many of us will be together at the bipartisan retreat this weekend. I hope I will see the gentleman there.

Mr. HOYER. I thank the gentleman. We are all looking forward to that opportunity, or at least some few of us are looking forward to that opportunity, hopefully more than the last.

In any event, Mr. Speaker, if I can ask the gentleman from Ohio another question. Ergonomics came up this week. As he knows, we were somewhat concerned because that had not been on the calendar and we expressed that concern.

Does the gentleman know of any possible items like that that might come up next week that are not noticed at this point in time that may or may not be up?

Mr. PORTMAN. We would expect no such major or what some might consider controversial provisions. That, of course, was waiting for the Senate to act. Once the Senate acted, we acted. There may be, it is my understanding, some other legislative activity that committees are still working to see whether some other things might come to the floor next week, but we would expect nothing along those lines.

Mr. HOYER. I thank the gentleman. One additional question. As he knows, we have been talking for some period of time now about the creation of a select committee on election reform.

Does the gentleman have any idea whether we might have a proposal on the floor for an equally balanced committee being appointed for the purposes of considering election reform?

Mr. PORTMAN. I am not aware of any legislation that would be on the floor next week in that regard, although I suppose it is possible. I know that the Speaker and the minority leader are in discussions with regard to the select committee on election reform, but I do not know that there will be anything on the floor next week nor do I think anyone on our side knows at this point.

Mr. HOYER. I thank the gentleman for his response. I would simply say that clearly this is a critical issue which I do not think is a partisan issue. I think there is not a Member on the House floor of either side of the aisle or our two Independents who do not believe that citizens ought to be encouraged to vote, facilitated in casting their vote and to having the technology available that will make sure that they count their votes. We focused on Florida, but as we have learned, this problem exists in many jurisdictions. It is not a partisan problem, it is in some respects a technological problem and in some respects election officials are not trained as well as they ought to be, not through any fault of their own but just we have not had the mechanisms to do that, to reach out and to make sure that citizens have access to the polling places.

I know the Speaker is focused on it. I know the minority leader is focused on it. I hope that we could accomplish this in the short term so that we might effect reforms prior to the next election. That is our concern about timing.

I would be glad to yield to the gentleman for any comments he might want to make.

Mr. PORTMAN. Mr. Speaker, I wholeheartedly agree with what the gentleman said with regard to the need to take a look at our election systems. I know that the leadership on this side concurs with that. The hope is that we can soon move forward with a select commission in that regard.

Mr. HOYER. I thank the gentleman for his comments.

□ 1800

RANKING OF MEMBER ON COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE

Mr. PORTMAN. Mr. Speaker, I offer a resolution (H. Res. 85), and I ask unanimous consent for its immediate consideration in the House.

The SPEAKER pro tempore (Mr. LAHOOD). The Clerk will report the resolution.

The Clerk read as follows:

H. RES. 85

Resolved, That on the Committee on Transportation and Infrastructure, Mr. Pombo shall rank immediately after Mr. Moran of Kansas.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The resolution was agreed to.

A motion to reconsider was laid on the table.

ADJOURNMENT TO MONDAY, MARCH 12, 2001

Mr. PORTMAN. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet at 2 p.m. on Monday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

HOUR OF MEETING ON TUESDAY, MARCH 13, 2001

Mr. PORTMAN. Mr. Speaker, I ask unanimous consent that when the House adjourns on Monday, March 12, 2001, it adjourn to meet at 12:30 p.m. on Tuesday, March 13, for morning hour debates.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. PORTMAN. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule be dispensed with on Wednesday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

APPOINTMENT OF MEMBERS TO JAMES MADISON COMMEMORATION COMMISSION

The SPEAKER pro tempore. Without objection, and pursuant to section 5(a) of the James Madison Commemoration Commission Act (P.L. 106–550), the Chair announces the Speaker's appointment of the following Members of the House to the James Madison Commemoration Commission:

Mr. GOODLATTE of Virginia;

Mr. CANTOR of Virginia.

There was no objection.

SPECIAL ORDERS

The SPEAKER pro tempore (Mr. PENCE). Under the Speaker's announced policy of January 3, 2001, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

AMERICA'S VETERANS ARE ENTITLED TO THEIR DAY OF CELEBRATION AND REMEMBRANCE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. PLATTS) is recognized for 5 minutes.

Mr. PLATTS. Mr. Speaker, I rise today to speak on behalf of over 1.3 million veterans in Pennsylvania and to express my strong opposition to legislation which I consider an affront to the heroic service to our Nation.

As introduced, H.R. 62 would move Veterans' Day to election day in Presidential election years. The intended purpose of this legislation is to increase voter turnout by establishing election day as a national holiday in conjunction with Veterans' Day.

Although I agree action needs to be taken to help convince our Nation's citizens to take a more active role in the political process, this particular solution troubles me. I believe we need to take necessary steps to increase voter awareness and participation, but depriving our veterans of the day set aside historically to honor their sacrifice is not the way to do it.

By designating November 11 of each year as Veterans' Day, we give thanks and pay tribute to the soldiers who fought and gave their lives to preserve the freedoms we know today.

In 1918, at the 11th hour on the 11th day of the 11th month, the Treaty of Versailles was signed between the Allies and Central powers to end the fighting of World War I, the war to end all wars. In the years immediately following 1918, memorial gestures were made on that day worldwide. In 1926, Congress passed legislation to commemorate this date with, quote, ''thanksgiving and prayer and exercises designed to perpetuate peace through goodwill and mutual understanding between nations.''

In 1938, Congress officially designated November 11 as Armistice Day. It was a day to honor the bravery of our veterans and celebrate the cause of world peace.

In 1954, one of our greatest veterans, President Dwight Eisenhower, declared Armistice Day as Veterans' Day so that all Americans would, quote, ''solemnly remember the sacrifices of all those who fought so valiantly to preserve our heritage of freedom.''

Mr. Speaker, I give this brief history of Veterans' Day because it serves as proof that November 11 was not randomly selected as a day on which to honor veterans. Moving Veterans' Day, even if it is only once every 4 years, does a great disservice to our veterans and the freedoms for which they fought so hard to secure and defend.

Congress learned its lesson on moving Veterans' Day once already. In the 1970s, Congress moved Veterans' Day to the Monday closest to November 11 to allow for a 3-day holiday weekend. The movement of Veterans' Day was met with so much outrage that President Ford returned the observation of Veterans' Day to November 11.

Mr. Speaker, I have heard from countless individuals in my district that are outraged that legislation is once again pending before Congress to move Veterans' Day. These citizens, veterans and nonveterans alike, do not understand why their government wants to diminish the opportunity of this Nation to remember the sacrifices of our veterans. Veterans and the families of those who have given the ultimate sacrifice certainly do not understand why Congress would even consider legislation that would lessen the tribute paid to our brave sons and daughters who have served in all branches of our armed services.

In my opinion, we should not diminish the observance of Veterans' Day. On the contrary, we should be promoting the reason we mark this day. There are over 26 million veterans in this country, including nearly a half million who are permanently disabled. The Veterans Administration estimates that we are losing approximately 1,100 veterans a day. It is extremely important that we not only remember their service but honor it as well.

The best way to do that is to pass meaningful legislation which will improve benefits and ensure that every veteran has access to the best health care possible. It is imperative that we demonstrate our commitment to those who served us with dedication and valor.

Mr. Speaker, let me reiterate that I stand ready and willing to work with my colleagues to find ways to get more of our citizens to the polls, not just in Presidential elections but in all elections.

However, we must not attempt to solve the problem of voter apathy by showing disrespect to our fellow citizens who have gone into harm's way on behalf of our great Nation. Our veterans have fought courageously to secure and preserve the freedoms we enjoy today. Without the efforts of our heroic veterans, our citizens would not have the right to vote.

Our veterans have fought, and many have died, so we can live in a county with free and fair elections, a country where even in an election as close as the last Presidential contest, the winner is decided by the rule of law, and not with violence.

Mr. Speaker, our veterans have fearlessly put their lives on the line for this country. This country can surely give them their own day of remembrance. Veterans' Day is and always should remain November 11. I for one pledge to do my utmost to preserve this day of recognition for our patriotic men and women of our armed services.

THE TROJAN HORSE STRATEGY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oregon (Mr. DEFAZIO) is recognized for 5 minutes.

Mr. DEFAZIO. Mr. Speaker, I regret that the leadership, the Republican leadership, saw fit to have such a limited debate on a $2 trillion tax cut today. Basically, it worked out, for the portion of the tax cut adopted today, to about $5 billion a minute. I was one of many Members who is not a member of the Committee on Ways and Means who did not have an opportunity to speak and give my reasons for opposing this tax cut so I am going to lay them out now, because we know that this is not the end of the debate.

The Senate will not even take this bill up until late this spring, if then.

Now first, the tax cut is predicated upon a wish, a dream, a projection, a prediction, a prediction. Now, remember all the economists 10 years ago said we see deficits as far as the eye can see, huge and growing deficits. We were supposed to have a $400 billion deficit this year, but here we are fighting about how to spend the surplus. There is an actual real surplus this year. How long will it last? What are the assumptions behind it?

This is a very interesting chart which comes from the official Congressional Budget Office chaired and headed up by a Republican appointee. This is what we are predicating a $2 trillion tax cut on. These are future projections. If one notices, there is a little bit of uncertainty here. In fact, when we get to the year 2006, according to the official projections of the Congressional Budget Office, we could be running anything from a $100 billion deficit to a $1.1 trillion surplus, but today the Republican leadership locked into place tax cuts that are going to spend this surplus even if it does not exist, and they did it under the rationale it is a stimulus for the economy.

Now remember, the tax cuts do not even begin until next year. Well, they added a little bit for this year.

Mr. Speaker, 1/100th of 1 percent of the GNP will be devoted to a so-called retroactive tax cut this year; minuscule amount, totals just tens of dollars, for most families, $15 or $20. Yet what they have done here is begun the same strategy that fooled this Congress before I served here in the early 1980s, the Trojan horse strategy. Dress it up, get it inside the gate and then out pops a big surprise.

The big surprise is most likely to be a return to huge and growing deficits a few years out.

No, we should base tax cuts on actual surpluses received, not on projections by pointy-headed economists who are wrong a lot more times than they are right. If they can project the economy 10 years out, they would not be working at the Congressional Budget Office for a government salary. They would be living on their private island somewhere if they had that much knowledge about the future of our economy, and even they, with this chart, admit they really do not have a clue.

So this Congress is being incredibly irresponsible in locking in place those tax cuts now heavily weighted toward people who earn over $329,000 a year, on the bet that these surpluses might exist or maybe knowing that the surpluses will not exist and not really caring that we could return to the huge days of deficits.

Now, this is reality, folks, right here. This is reality. The United States of America's debt, that is black and white. We owe that. Every American from the tiniest baby to the oldest senior citizen owes a share of that, and if we divided it up equally it would be over $20,000 per person.

They are going to not even address that as effectively as the budget last year. They are proposing under their optimistic projections to leave a much bigger debt for future generations, not to reduce it as much. Under a worst case scenario, they are going to increase that debt and leave it as a gift or a burden to future generations. That is irresponsible.

I have supported the plan to do one-third, one-third, one-third, once we have a surplus in hand. One-third to reduce the debt, and if these wild projections come true we could pay off the debt in 12 years; one-third to invest, to invest in education, in infrastructure. I just got a report today from the National Society of Civil Engineers. We have a $1.3 trillion shortfall in infrastructure. Our infrastructure is crumbling over the next 5 years. That is about what they are spending here, betting that we are going to have these surpluses. We could be investing it. We could be investing it in education.

Then finally, yes, let us have responsible tax relief. There was an alternative today. I voted and proposed other alternatives in the past. A tax relief based on reality, targeted at those who carry the heaviest burden, and that is middle-income families and lower-income families. When we look at the burden of the FICA tax, about more than half of American families pay more in Social Security taxes than they do income tax, they will get no relief under this proposal, even if it puts us massively in debt for the future. This was not a proud day for the United States House of Representatives.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from North Carolina (Mr. JONES) is recognized for 5 minutes.

(Mr. JONES of North Carolina addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Ohio (Mrs. JONES) is recognized for 5 minutes.

(Mrs. JONES of Ohio addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.)

□ 1815

INTERNATIONAL WOMEN'S DAY AND THE UNITED NATIONS POPULATION FUND ACT OF 2001

The SPEAKER pro tempore (Mr. PENCE). Under a previous order of the House, the gentlewoman from New York (Mrs. MALONEY) is recognized for 5 minutes.

Mrs. MALONEY of New York. Mr. Speaker, I rise today to pay special tribute to women around the world for being honored on International Women's Day. International Women's Day, today, recognizes the achievements and successes of women around the world. It is also a day on which we work to advance the status of women everywhere. This is why I, along with my colleagues, the gentleman from Illinois (Mr. KIRK); the gentleman from New York (Mr. CROWLEY); and the gentleman from Iowa (Mr. LEACH), and over 60 original cosponsors, we are announcing that we will introduce our bill, the United Nations of 2001 on this important day.

This bill will help save the lives of millions of women and children around the world and will work to bring equality to all people by restoring funding for UNFPA. Equal rights and equality for all people is crucial, whether they live in sub-Saharan Africa or Southeast Asia or the United States.

Over the last 20 years, we have seen a commitment from countries around the world to honor women's rights, and women's voices are finally beginning to be heard. However, this success and the many others we have had is overshadowed by the millions of women around the world who do not even have the most basic rights. There are more than 600,000 women who are dying each year because of complications from pregnancy and childbirth. The inequality of girls and women around the world is real, but there are very real steps we can take to work together toward equality. Over 182 nations support funding for UNFPA, and the United States should likewise support it.

We know that UNFPA works, that it saves lives. Each day we in Congress are confronted by many challenges for which we do not have answers: the answer to global warming, to the AIDS crisis, to Alzheimer's and Parkinson's. But we know what to do to save the lives of women around the world, and that is to fund international family planning through the United Nations Population Fund.

UNFPA has been and continues to be a leader in the renewed commitment of the world community to stabilize global population and improve the status of women. UNFPA is the world's largest internationally funded provider of family planning and reproductive health services. UNFPA serves women, children, and families in 160 developing countries around the world where health care structures are fragile and unable to address the specific health needs of mothers and children.

By funding UNFPA this year, in 1 year alone, 870,000 women will not be deprived of effective contraceptives; more than 520,000 women will be provided with health care support; and there will not be 500,000 unwanted pregnancies. There will not be 1,200 additional maternal deaths, 22,000 additional infant deaths, and 15,000 additional life-threatening illnesses and injuries to mothers during pregnancy and childbirth.

So, on this day, March 8, International Women's Day, I am proud to introduce this bill, which will help bring equality to women everywhere and certainly help save lives.

POWER IN WASHINGTON OR POWER AT HOME?

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from South Dakota (Mr. THUNE) is recognized for 5 minutes.

Mr. THUNE. Mr. Speaker, about this time, President Bush is landing in the Dakotas for his first visit to my part of the country. He is landing in Fargo tonight and will be proceeding to South Dakota tomorrow. I think it is significant, Mr. Speaker, that as he makes that landing there, that today we have passed the cornerstone of his tax plan: reduction in marginal rates and real tax relief for working families in this country.

Mr. Speaker, this is the start of what I think will be a great debate to have in this Congress, and that is, who has the power? Does Washington, D.C. have the power, or do the American people have the power? Because the more of this that Washington takes from the American people, the less they have to spend. The more of this that Washington takes, the more power Washington has, and the less power the American family has.

Mr. Speaker, this is a debate about whether we want to consolidate power in Washington or whether we want to distribute power back to our families, individuals, and communities. We have heard a debate today about whether or not to spend the surplus, and our friends on the other side have raised concerns about whether or not we ought to be proceeding down this track. Well, Mr. Speaker, the same people who are making that argument have no such constraint when it comes to spending the surplus on new government programs. That is an entirely different argument that they make.

If we look at the arguments that are made by the opponents of the President's proposal, they really revolve around a couple of basic points. One is that it is too big in the actual size of this tax cut. Well, Mr. Speaker, if we look at it in terms of actual size as a percentage of the total surplus, it is about one-quarter of that surplus, or 6 percent of government revenues over the course of the next 10 years. So in terms of actual size, I would argue, Mr. Speaker, that it is a very responsible number in that it recognizes the commitment that we have to protecting Social Security and Medicare, paying down the Federal debt, and making those necessary investments that are critical to our future, and at the same time, it allows us to get some of that money back into the hands of the American people.

What about the proportional size of this tax cut? Well, if we look at it relative to previous tax cuts, during the Reagan administration, during the Kennedy administration, it is about half the size of the Kennedy tax cuts, and about one-third of the size of the Reagan tax cuts, as a percentage of the gross domestic product and also as a percentage of total government revenues. So proportionally, Mr. Speaker, I would argue as well that this is a balanced and responsible way to go about giving the American people more of their hard-earned money.

Well, the other question is, what about spending? Are we going to be able to have those resources that are necessary? Mr. Speaker, the President's proposal sets aside $1 trillion for contingencies. I care about agriculture in my part of the country. The President has said we recognize there are going to be emergencies that are necessary to come up with additional dollars. So he has accounted for that in the form of a contingency fund of about $1 trillion. Government spending is going to increase 4 percent this next year on the discretionary side; that is the part that the Congress appropriates, and if we add in the total amount of entitlement spending combined, it is about $100 billion over this year's funding levels. That is a significant amount of additional spending. Four percent is higher than the proposed rate of inflation for this next year.

So, Mr. Speaker, I would also say that if we look at it in relative amounts and what it does to allow us to continue to make the investments that we need to make, this plan enables us to do that.

The other argument that is often made, Mr. Speaker, and if we listen to the grim reapers and the prophets of doom, is that the Reagan tax cuts led to the deficits. The fact is, that is not true. After the Reagan tax cuts in 1981, government revenues went up, but the rate of spending exceeded that. Congress could not control, curb, its appetite to spend those dollars; and that, Mr. Speaker, is what led to the deficits during those years. In fact, if Congress had been able to control its spending and only spent at a rate of 5.6 percent average increase per year between 1981 and 1991, the budget would have been balanced in 1991, instead of just a few years ago.

So as we engage in this debate, Mr. Speaker, I hope the American people will listen clearly and understand that this is a great day for the American taxpayers. I am proud to be able to vote in favor of allowing them to keep more of their hard-earned dollars. It is good for the American taxpayers, it is good for the people of South Dakota, and tomorrow will be a day of celebration as the President makes this stop in my great State; and I hope that we will be able to welcome him and deliver to him a message that we care about the people of this country, about the taxpayers, and about giving them more freedom and more liberty.

PROUD TO SUPPORT THE ECONOMIC GROWTH AND TAX RELIEF ACT OF 2001

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. GRUCCI) is recognized for 5 minutes.

Mr. GRUCCI. Mr. Speaker, I rise today proud to have supported the Economic Growth and Tax Relief Act of 2001. With an economy sputtering, the time is now for us to act proactively and implement a reasonable and fair tax relief package that will benefit our hard-working, middle-class families and small businesses.

In New York's First Congressional District, where the cost of living is higher than in many regions of our Nation, the Economic Growth and Tax Relief Act of 2001 will jump start our local economy and put the money back where it belongs: in the pockets of the taxpayers. They created the tax surplus; they should get it back.

This much-needed tax relief will be put to better use by offsetting costs for our families, costs like a college education for a young person, a mortgage payment, or they will be able to support our small businesses and our local economy. Those middle-class working families earning $50,000 will see a $1,600 tax cut in their taxes. That is a 50 percent cut. A family of 4 earning $35,000 would see 100 percent tax cut. Now, that is fair. And that is reasonable tax relief, and that is real tax relief for middle-class working families.

In addition, this tax package will leave more money in New York State. New York already contributes about $17 billion more in taxes to Washington than it gets back.

The Economic Growth and Tax Relief Act of 2001 will cut that deficit by $9.7 billion. As a former town supervisor, I know firsthand how reasonable tax relief can help families and local economies create thousands of new jobs, provide essential services, and still maintain a multimillion dollar annual surplus. The hard-working, middle-class families of Long Island's First Congressional District and throughout our Nation should have their tax dollars back. We have accomplished this while we protected and locked away Social Security and Medicare funds and reduced our national debt by a historic rate.

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Texas (Ms. JACKSON-LEE) is recognized for 5 minutes.

(Ms. JACKSON-LEE of Texas addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Michigan (Ms. KILPATRICK) is recognized for 5 minutes.

(Ms. KILPATRICK addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.)

IRRESPONSIBLE TAX CUT MEANS SERIOUS REPERCUSSIONS FOR ESSENTIAL GOVERNMENT PROGRAMS

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Florida (Ms. BROWN) is recognized for 5 minutes.

Ms. BROWN of Florida. Mr. Speaker, here we go again, another round of voodoo economics, and another huge tax cut for the rich.

Passing this $2 trillion tax cut before voting on the budget is irresponsible and will jeopardize the future of Social Security, Medicare, and public education. This bill is like taking a vacation before you pay your rent and utility bills.

I encourage my colleagues to consider the terrible situation in my home State of Florida where massive tax breaks for the rich have come at the expense of much-needed services for the poor, year after year after year. Yesterday, Florida Governor Jeb Bush called for even more tax breaks for the rich while continuing to overlook the most pressing issues facing Florida residents, for example, a $1 billion hole in the Medicaid program that funds health services for poor pregnant women, children, the elderly, and the disabled; a school crisis that includes teacher retention problems and budget cuts that eliminate some of the most innovative teaching programs; a senior population whose health care is at risk because they cannot afford to pay for their prescription drugs; and the Nation's oldest veterans' population with nowhere to bury them with the dignity they deserve.

Mr. Speaker, mark my words. The rest of the country will face the same problems we have in Florida if President Bush's tax cut becomes a reality. The Bush tax cut is like the Reagan cuts that devastated our economy with huge debts, skyrocketing unemployment, and high interest rates. We have been down this road before, and it took us 20 years to get out of this mess that the Reagan tax cuts put us in.

One of the immediate effects of his plan was the homeless problem. By cutting housing and community-based programs, Reagan eliminated the most critical programs for the people at the bottom of the economic ladder. As a result, this country witnessed record numbers of homeless people, and our deficit grew by leaps and bounds. We will see the same problem with health care and senior programs if these tax cuts are allowed.

My constituents do not deserve to relive this nightmare again. I would like to remind my Republican colleagues that the American people did not vote for the Bush plan.

□ 1830

We would not be in this mess if the coup had not taken place in Florida. There is no mandate for the Bush plan; I can tell my colleagues coming from Duvall County, where 27,000 votes were thrown out, 16,000 of them African Americans, 16,000 African Americans, 27,000 votes thrown out.

The sad thing is that this election is not about a few hundred votes. It is about thousands of votes, thousands of votes that were thrown out in the State of Florida. We must commit ourselves that this will never happen again in this history of this country. The last time it happened was in 1877, and Florida was involved in that coup also.

Mr. Speaker, a lot of people think it does not matter what party is in charge. Clearly, today it is an example of it does matter what party is in charge. The parties are not all the same. Some look out for the wealthy and the others look out for the working people and the poor people of this country.

I am happy to be a party of that party, that cares about Medicaid and education and looks at it as investing in our future and not doing away with the surplus, that we take most of it out of health care, health care.

I tell my colleagues it is not a free ride in this country, and the American people, we will fight this fight again and we will welcome President Bush Monday when he comes to Florida.

INTERNATIONAL FAMILY PLANNING AND HIV/AIDS

The SPEAKER pro tempore (Mr. PENCE). Under a previous order of the House, the gentlewoman from the District of Columbia (Ms. NORTON) is recognized for 5 minutes.

Ms. NORTON. Mr. Speaker, today is International Women's Day. Women of the world have very little to celebrate. Tragically, the new President withdrew family planning counseling across the developing world, where family planning had begun to have a structural effect on life for men, women and children.

The average family size where people have had access to family planning assistance has been reduced in a very short period of time from six to four. Now, we see the closing of clinics.

Mr. Speaker, what troubles me most this evening is the effect on the spread of AIDS. Just this week, we learned that India is about to experience the same tragedy that has overtaken Africa, as AIDS spreads like wildfire across the Indian continent.

When we in this country think of AIDS, we think of it as a male disease, but worldwide, 50 percent of those or almost 50 percent of those with AIDS are women. Seven percent of the people with AIDS are in sub-Saharan Africa. Ninty-five percent of the AIDS worldwide are orphans. Eighty percent of women with AIDS worldwide are in sub-Saharan Africa.

If this epidemic moves, as it now seems to be, to India, what we will be seeing is the engulfing of continents where most of the world's people live with AIDS. How do we stop that? We know that the drugs, the expensive drugs, are simply not going to millions upon millions of poor people.

Family planning is a preventive low cost way, not only of planning family size with all of the effects that has on development, but it is a way to stop the spread of this deadly disease. Integration of AIDS treatment and detection and prevention with family planning is a critical way to go at this epidemic.

In the same place, counseling for family planning, counseling about AIDS prevention can be the most essential one-stop health service in the world today. It eases significant costs.

And perhaps most poignantly, we can begin to prevent mother-to-child transmission of AIDS, the most tragic consequence of this epidemic.

Did we know that girls, little girls, are far more likely to become infected than little boys? It is probably because it is far easier to take advantage of little girls.

Preventing AIDS and controlling childbirth must take place in the same orbit and in the same place. We, of course, have made that much more difficult at a time when we should be embracing ways to conquer the AIDS epidemic.

On this International Women's Day, I call upon the administration to look for ways to increase both AIDS funding and family counseling. Family planning counseling, and certainly the availability of contraceptives, the way we have thought necessary in this country, the double standard that we have used to make contraceptives available here but deny it in developing countries is having tragic effects well beyond anything we imagined.

This evening I cannot stand here and say that there is an answer to the world spread of AIDS. I can say that this country has within its grasp the tools to keep this epidemic from completely overwhelming developing countries.

Mr. Speaker, if we do nothing else this International Women's Day, I ask that we think about women in the Third World who have been abandoned by our contraceptive counseling policy, and I think we, at best, have an obligation to think seriously about how to make our way back to the inroads we were beginning to make.

RADIO FREE SPEECH IS BEING DENIED IN NEW YORK CITY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. OWENS) is recognized for 5 minutes.

Mr. OWENS. Mr. Speaker, tyrants in control of totalitarian countries like China, Serbia and Iraq consider control of the airwaves an absolute necessity. They ruthlessly enforce censorship of a kind few of us can imagine in America.

Last Monday, however, I had the weird and frightening experience of being gagged by a radio station manager in my own home City of New York. It started with a routine request that I call in for a phone interview on a show hosted on Radio Station WBAI by Ken Nash which focuses on union and labor news and features.

The name of the show which commences at 2 p.m. was Building Bridges. As the ranking member on the Subcommittee on Workforce Protections, I welcome the chance to appear on shows related to working families or unions.

It is important to note that Radio Station WBAI is a nonprofit station. It runs primarily on contributions solicited from its mass of diverse listeners. Since last December, this station has experienced considerable turmoil internally and long-term producers and hosts have been fired or locked out of the station.

Like many New Yorkers, I am concerned about the present and future of this vital outlet for free speech on the radio. Without knowing all of the specific tensions and confrontations within the station, I have indicated my interests in working towards the resolution of the problems hampering the continuation of the unique and robust programming of WBAI.

It is important to note that I am presently seeking ways to get more avenues opened for radio free speech in my city in general.

Five low-powered Haitian stations have been shut down. The survival of WBAI is vital for the entire movement seeking more access to the airwaves. The bully monopolies of commercial radio provide the continuing roadblocks to these stations. My knowledge of the reputation of certain recent appointments to the board of Pacifica Network, which is the parent nonprofit institution responsible for WBAI, leads me to conclude that there is a clear and immediate danger that attempts will be made to sell WBAI to a commercial owner. Such a sale would mean the loss of a vital voice for working families in New York City.

My beliefs and point of view are considered heresy by Station Manager Utrice Leid. Without explanation or apology, she shut down the microphones and proclaimed that she had to intervene because it was her job to allow only the truth over the airwaves.

The following is a summary of the statement I would have made had I not been censored and shut off:

The situation at WBAI has implications far beyond this one station. Freedom of speech over the airwaves via radio, broadcast television and cable television is presently quite limited for the majority of Americans, and they are not aware of this. We have a problem of great magnitude that is not being appropriately addressed. The WBAI arrangement and structure offered one model to be emulated. As a listener supported station with a very diverse set of programs, procedures and guests, WBAI represents the optimum use of radio in the service of ordinary people.

When I attended the memorial service of the late Samori Marksman, who is a former WBAI station manager, last year in the great hall of St. John's Cathedral, I saw at that funeral a more diverse assembly than I have seen anywhere in New York City. Folks from all races, religions, income levels, and political persuasions were there. There were intellectual snobs who support programs broadcasting esoteric operas mingling with radical, grassroots political activists. Indeed, as a politician, one immediate reaction I experienced as I contemplated all of the diversity and the solidarity was at that funeral I felt that some of the powerful people in powerful places would see WBAI as a threat and seek to destroy it.

Mr. Speaker, WBAI represents radio freedom of speech that does not make profit for anyone. There are those who see profits being made via WBAI and other Pacifica stations. There are others in powerful stations who feel that only commercial stations should exist; or if there are public stations, they should be indirectly controlled by corporate grants and benign corporate advertisements.

Some of the persons who have recently been appointed to the Pacifica Board represent such powerful commercial interests and, in my opinion, WBAI is an endangered station as long as such business predators are on the Pacifica Board. Persons far removed from the original ideals and philosophy of the founders of the Pacifica chain are not likely to promote the original intent of this very well conceived system.

The basic question which must be tested as soon as possible in the courts is who owns a nonprofit entity? Who has a right to sell a nonprofit radio station? Does the original charter or licensing by the FCC permit any group of trustees or directors to treat Pacifica and WBAI as if they were commercial entities?

While the Pacifica turmoil is raging, I strongly urge WBAI to seek to preserve its freedom by exploring the necessary steps to become independent of Pacifica. As a nonprofit entity, WBAI should use the university structure as a model. It should elect the board of trustees through a voting process utilizing its contributors and supporters as the voters. The trustees should be responsible for basic business operations while the producers and staff should be given a role similar to the faculty of a university. Basic freedom similar to academic freedom and tenure should be conferred upon the longstanding producers and long-term paid and unpaid staff participants.

We want to preserve WBAI in New York City.

INTERNATIONAL WOMEN'S DAY

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from California (Ms. MILLENDER-MCDONALD) is recognized for 5 minutes.

Ms. MILLENDER-MCDONALD. Mr. Speaker, as the cochair of the Congressional Caucus on Women's Issues, I am proud to rise today to acknowledge International Women's Day.

This day is a symbolic recognition of the great contributions that women around the world make everyday in society as mothers, teachers, farmers, doctors, maids, engineers, accountants, social workers, lawyers and activists. It is also a time to review the progress of women in the public arena and the workplace, as well as their struggle for equal status and full participation in society, justice and peace.

International Women's Day is celebrated in the United States, United Nations and in many countries throughout the world. International Women's Day was declared in August 1910 at a meeting in Copenhagen. The Women's Socialist International Organization decided to commemorate March 8 as Women's International Day due to the strikes by hundreds of women workers in garment and textile factories in New York. The strike was against low wages, 12-hour workdays and inhumane working conditions.

In 1975, during International Women's Year, the United Nations began celebrating March 8 as International Women's Day. Two years later, in December 1977, the General Assembly adopted a resolution proclaiming a United Nations Day for Women's Rights and International Peace to be observed on a date to be chosen by each Member State.

Women around the world have assumed positions of influence in all sectors of society, Mr. Speaker, and also have contributed to economic and social advancement. Yet, women face discrimination in many areas of society, and violence against women is part of everyday life for many.

Women constitute the majority of the world's poor. Eighty percent of all refugees are women. One in every three women have been beaten or abused in some way.

□ 1845

Two million young girls are introduced into the commercial sex market each year. 130 million girls have undergone female genital mutilation. Every year 5,000 women and girls are victims of the so-called ''honor killings.'' Four million women and girls are bought and sold worldwide, either into prostitution, marriage or slavery. Two-thirds of the 300 million children worldwide without access to education are girls.

In Africa, HIV-positive women now outnumber infected men by 2 million. In India, it is estimated that more than 5,000 women are killed each year because their dowries are not enough. Women are still underrepresented in governments and political parties.

Despite slow progress in some areas, the advances that have been made in the status of women in society must not be underestimated. Female genital mutilation has been outlawed in several African countries. Many Latin American countries have modified legislation to improve women's access to resources, education and health services. Several countries have adopted or amended their constitutions to prohibit discrimination on the basis of sex. Bermuda, the Dominican Republic, Honduras, Mexico, Peru, South Africa and Venezuela adopted various forms of domestic violence legislation. Chile, Cyprus, the Sudan, and Zambia outlawed discrimination on the basis of pregnancy or childbirth. Egyptian women gained divorce rights similar to men's.

Mr. Speaker, tonight I ask my colleagues to join me in celebrating the gains that women have made internationally and to acknowledge that we still have much to do in the struggle for equity and justice.

The SPEAKER pro tempore (Mr. PENCE). Under a previous order of the House, the gentlewoman from New York (Ms. SLAUGHTER) is recognized for 5 minutes.

(Ms. SLAUGHTER addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from California (Ms. ESHOO) is recognized for 5 minutes.

(Ms. ESHOO addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.)

SPECIAL EDUCATION FUNDING

The SPEAKER pro tempore. Under the Speaker's announced policy of January 3, 2001, the gentleman from Maine (Mr. ALLEN) is recognized for 60 minutes as the designee of the minority leader.

Mr. ALLEN. Thank you, Mr. Speaker. I rise tonight to participate in a discussion with my Democratic colleagues on the subject of special education. All of us have been traveling through our districts talking to teachers and parents and students and school administrators, and we have found over and over again that the number one concern is the failure of the Federal Government to live up to its responsibility to pay the full 40 percent of the special education costs that were mandated by the Federal Government 26 years ago.

But we need to set this debate about special education in context, and particularly in the context of the debate over taxes we had here today. For all of the sound and fury of the debate this afternoon, the differences were fairly simple. On the one hand the Republicans were advocating for an important part of what is an overall $1.6 trillion tax cut over the next 10 years. $1.6 trillion.

On the other hand, the Democrats were arguing for a corresponding part of what overall would be an $800 billion tax decrease over 10 years, half the size of the Republican tax cut.

Now, the reason the debate was so intense and the reason Members on the Democratic side of the aisle felt so strongly about this subject is that the numbers were not being put forth accurately.

For example, if we are going to give back either $800 billion as the Democrats proposed in terms of tax cuts or $1.6 trillion in tax cuts as the Republicans proposed, those are not the amounts by which the debt is reduced because if you have a substantial tax cut, then that money is not available to pay down the Federal debt and, therefore, interest on the Federal debt would be higher than it would be otherwise.

On the Republican side, that $1.6 trillion tax cut, if enacted as passed by the House today, means that we will have over 10 years $400 billion of interest that we have to pay on the national debt that we would not have to pay if that tax cut were not enacted. On the Democratic side the corresponding number is about $100 billion to $150 billion extra in interest that we will have to pay, and what is true for tax cuts is true for spending.

Here is the fundamental problem. If you set aside the Social Security trust fund and the Medicare trust fund, the Bush tax cut, $1.6 trillion in tax cuts plus $400 billion in additional interest on the national debt plus $300 billion in order to fix the alternative minimum tax, very quickly you find that the Bush tax cut reduces the surplus by about $2.4 trillion to $2.5 trillion.

If that tax cut passes the other body in the form that it passed here today, we are in trouble as a country because that tax cut slams the door on any effort to provide a Medicare prescription drug benefit for our seniors any time in the next 10 years if current projections hold. That tax cut, the Republican tax cut, slams the door on the use of general revenues at any time in the next 10 years to shore up Medicare and Social Security and extend the life of those two vital programs.

Mr. Speaker, with respect to the program that we are here to talk about tonight, the Republican tax cut slams the door on any ability to fully fund special education.

I know we have a number of Members on our side wanting to speak, but just to lay this in context and say it simply, right now in the year in which we are in, we spent $6.3 billion on special education. The mandate that we required the States to meet 26 years ago to provide a free and appropriate education for children with disabilities, and when we said 26 years ago that the Federal Government would meet 40 percent of the cost of that program, we do not even come close. This year $6.3 billion represents just under 15 percent of the total cost of special education in this country. That is a long way from the 40 percent that this Congress talked about when the mandate was imposed.

In our districts, teachers, school administrators, parents, and even students understand that there is not enough money for special education, that local funds are being drained out of regular education programs in order to pay for special education, and that the local property taxpayers are taking a hit. We can help all of these groups if we would simply step up to the plate this year, reduce the tax cut and fully fund special education.

The last thing I will say is this. If we do not do it this year, it is not likely to happen any time in the next 10 years. The reason is that full funding is an extra $11 billion. We do not run surpluses most years. It has taken a hard climb to get to them, and now we have the opportunity to use some portion of this Federal surplus to meet the Federal Government's obligations. This is not a new program. It is simply doing what we are obligated to do, what we ought to do for our children and for our school districts, our parents and teachers around the country.

Mr. Speaker, I am joined tonight by a number of Members, and it is a particular pleasure to recognize the gentleman from New Jersey (Mr. HOLT) who helped organize this special order tonight.

Mr. HOLT. Mr. Speaker, I am pleased to join my colleague from Maine, and I thank you for yielding.

The gentleman from Maine set the stage very well. What happened on the floor here just a matter of a couple of hours ago was really putting the cart before the horse. There are certainly justifiable tax cuts. I know that my constituents back in New Jersey are only too eager, as the President says, to get a refund on overpayments. The President came here and said in the joint session when he gave what would be called a State of the Union address that he was asking for a refund. But the reason this was the cart before the horse is because it is hard to know what the amount of overpayment is because we have no budget proposal that comes in advance of this tax cut vote.

We have had no debate about really what are the obligations that this Federal Government has in front of us and which of those obligations are we going to honor and in which order.

Certainly our obligations are more than what some Members would say, and that is the obligation of the Federal Government is only to provide national defense. No, we have many other important obligations as well. For example, we have an obligation, a promise, to America's veterans to provide health care for them. We have made a promise to seniors to provide health care, and that certainly should include in this day and age prescription medicine. And we have made a promise, a national commitment to excellent education for all. And that is where we get to the subject at hand here.

Education has not been discussed in advance of today's vote on changing the tax rates. But, in fact, to really provide a free, appropriate public education for America's children is an expensive proposition. School districts are discovering this. Property taxpayers have certainly discovered it. As my colleague has pointed out so clearly, for the Federal Government to provide funding at the level of 40 percent of the cost of educating the special education students under the IDEA program would, over the 10-year period that we are talking about in all of these estimates about tax cuts and so forth, we have been talking about a 10-year period, in that period it would be on the order of a hundred billion dollars.

This is not a footnote. This is not lost somewhere down the decimal point line. This is real money, and it is something that we have, I believe, an obligation to provide and to provide now. For years, since 1975, the Federal Government has made excuses about why it could provide only 5 or 7 percent; or now, as we have in the current year, provide about 14 percent of the cost of educating the special education students, but those excuses do not apply any more when we have a surplus, an honest-to-goodness surplus, and we are debating what we should do with it.

Well, we have obligations; and we should have those obligations out on the table along with the obligation of paying down the national debt, along with the obligation of returning any surplus funds to America's taxpayers.

I am pleased that we have the opportunity to get this out on the floor for discussion now at least before the other body makes its decisions so we can have a good debate about America's obligations.

Mr. ALLEN. Mr. Speaker, I thank the gentleman for his comments; and I appreciate all that the gentleman from New Jersey has been doing in his State to try to, there as well as here, to try to get full funding for special education students.

I do not know if you heard during the debate how many times our friends on the other side of the aisle said what they were trying to prevent was having the Federal Government spend money here in Washington. Special education funds are not spent in Washington, they are spent in our districts and States across this country. They are not wasted and put away here in Washington. Special education funds go to teachers, school districts, in our States in our districts across this country. They make it better and easier to provide a good education for special education students, provide a good education for regular students, and they help. If we could ever fully fund this program, they would help to relieve the stress that property taxpayers feel all across this country right now.

□ 1900

And it is not even a new program. This is money that goes back to our States and back to our districts. But when we listened to the other side during the tax debate today, it sounded as though this money is buried somewhere here under the Capitol and never gets out to the districts.

Mr. Speaker, I yield to my good friend, the gentlewoman from Oregon (Ms. HOOLEY). It is very good to have her here tonight.

Ms. HOOLEY of Oregon. Mr. Speaker, I thank the gentleman for yielding to me.

As we talk about this issue, the gentleman is right when he talks about our not burying this pot of money somewhere in Washington, D.C. We send it out to our districts, and we send it out to our States and to our local school districts. And as we talk about the needs of special education, again the gentleman mentioned that this is a program that is 26 years old. We have said that we should fund 40 percent of the excess costs; yet we are up to under 15 percent. And this is the best we have ever done. And if we do not pay our fair share, then the burden goes someplace else.

Again, as the gentleman has gone across and talked throughout his district and throughout his State about what is important to them, I too have talked to people in my district. This is important to school administrators, it is important to teachers, it is important to those that have special-needs children, it is important to the general population because we are all impacted by this.

This issue, plus the issue of smaller classroom sizes. We know if we have fewer students in a classroom between kindergarten and third grade that kids do better, and when they do better in those grades they also do better in the upper grades, high school and even into college.

But tonight we are talking about special-needs children, children with disabilities. And one of the things that is happening, particularly in our rural communities, and I represent a lot of small rural communities, is that there can be a special-needs child that will cost over $100,000 if they have multiple disabilities. I have one with autism and also has other disabilities that costs about $120,000 a year. If this is a small rural community and there is only one student with disabilities, all of a sudden, to give that child a free and appropriate education, which is what we should be doing, we have to hire a teacher for that child, and we have to provide transportation for that child. For some of our small schools, it really does break the bank.

The reason it breaks the bank is because we are not paying our fair share. It is a little easier for some of the larger schools, where they may have several students and so they can have one teacher for several students, or transportation for several students. But it is still expensive and we have to acknowledge that. I think no one can deny that it is an expensive program, but it is an important program. And some of the special-needs children are not that expensive, some are $400 or $500 or $600 a year.

What has also happened is we have waiting lists in our schools. Now, we have guaranteed a free and appropriate education for every child, including those with disabilities; but we have a waiting list where some children cannot get their needs taken care of because we have not paid our fair share. As a result, all of us have to deal with this problem. Again, this is a huge unfunded mandate that we made an obligation to fund. I think we need to do it, and this is the time to do it.

I have introduced a bill, and I know there are a lot of bills with special education trying to get IDEA funding, Individuals With Disabilities Education Act, but the bill I have introduced is H.R. 659. I have introduced it with the gentlewoman from Connecticut (Mrs. JOHNSON). And what we are trying to do in our piece of legislation, and the gentleman talked about we need $11 billion this year, this piece of legislation would ask that over the next 5 years we get up to the point that we are paying the full 40 percent of our obligation. That takes about $3 billion a year. Is that a lot of money? Absolutely. Do we need to do it? Yes.

This is a promise we made. And I am one of these people that believe when promises are made, they should be kept. So we made this promise 26 years ago, and I think it is time that we invest in every single child and make sure that they have an appropriate education.

Mr. ALLEN. Mr. Speaker, I thank the gentlewoman for her commitment to this issue. The gentlewoman was talking about the importance of driving the special education to full funding either this year or over a period of years. All of us would love it to happen this year. It may or may not.

The important point that I want to make right now is that if we look at the proposal from the Bush administration, there is only one sentence dealing with special education and it says special education will be increased. Maybe by $10. Who knows? Maybe by $100; maybe by $10 million. Who knows? What is clear is that in his proposed increases for the education department there is not enough money to even come close to what the Clinton administration did in each of the last 3 years. Because in each of the last 3 years we increased special ed funding by about $1 billion a year, and that simply cannot happen unless we finally get some real numbers.

Maybe we will be pleasantly surprised. But looking at what the President has sent to us so far, it looks like this is an area that could easily be shortchanged when, in fact, it should be fully funded.

Ms. HOOLEY of Oregon. Let me try to put that in some perspective. I talked about my piece of legislation. Whether it is this or something else, it really does not matter as long as we live up to the obligation. If we look at fully funding it over the next 5 years, it costs an additional $3 billion a year. In the budget this year that was presented to us, the number in there to take care of inflation, just sheer numbers of additional people in the entire Department of Education, is $2.4 billion, and there are several new proposals that President Bush has for education. So it gives you an idea, just to fund this is $3 billion. In the budget for everything is $2.4 billion.

So we have not really put our money where our mouths are, and we need to do that and to live up to those commitments.

Mr. ALLEN. I thank the gentlewoman.

Mr. Speaker, I yield now to the gentlewoman from California (Mrs. CAPPS), who has been a real leader on this issue, fighting for her constituents back home, trying to make sure that we can make some real progress and get full funding for special education. I yield to her.

Mrs. CAPPS. I thank the gentleman for yielding, and I am honored to be here with my colleagues from Maine, from New Jersey, from Oregon, and from California; all across the country.

Mr. Speaker, we are disappointed that we spent the entire day discussing a tax package that is not right for this country; and the passage of such a large tax reform bill out of a budget context will mean, no doubt, that we will have fewer dollars to pay down our national debt, to strengthen Social Security and Medicare, and to improve our education system. And of course a centerpiece of education in our country today and for the past 26 years has been IDEA, Individuals with Disabilities Education Act.

I travel up and down the central coast of California, which I am proud to represent, and I spend time on school campuses. And when I do, I hear a common refrain: we need to fully fund IDEA. I hear this from parents, I hear it from classroom teachers, from administrators, from school boards, and I hear it from the community. The Individuals with Disabilities Education Act requires the inclusion and equality of one of our most disenfranchised groups, kids with disabilities.

IDEA ensures, and this is a good thing, it ensures that children with disabilities can attend a public school in their hometown alongside their peers. In my years of being a school nurse, I saw the value and the importance of this wonderful idea, IDEA, that we in Congress, our predecessors in Congress, put into place. This is a value for families and for a community, for children with and without disabilities, to have this kind of education within the least-restricted environment.

With over 6 million students in our schools who have special needs, we should be appropriating over $17 billion in Federal funds each year. We promised that when we authorized this education act. And what are we giving them? Only $6 billion, as the gentleman said. Because this is a right that we declared, that these children will have this opportunity, local and State budgets are forced to absorb the shortfall. That is a terrific cost to our communities.

While the Federal Government is authorized to pick up the tab for fully 40 percent of these costs associated with special education, currently we are only paying 14 percent of these costs. It was in 1975 that this law mandated that all children receive a free and appropriate education, public education, and that 40 percent would be attached to it; that that was our fair share as a Federal Government. But in the last 25 years, we have failed to provide the necessary funding to support this pledge that we made to local school districts. I believe, along with my colleagues, that it is time to put our money where our mouths are and to fully fund the Individuals with Disabilities Education Act.

When States and schools, local schools, are forced to pick up the difference in the costs for the needs of these children, they often have to shortchange other children. We should not have to be forcing them to make such a choice in providing an appropriate education for one group of children and not for the other. It is our responsibility to provide a good, free education to all of the students in this country.

I want to share a local story to tell my colleagues about a situation in San Luis Obispo County and their school district. They are currently working with and providing resources for 13 children with autism. These children need special assistance to be able to reach their educational goals. In my district, the minimum cost of service for a child with autism is $40,000 per child per year, and the San Luis Obispo school system has only $200,000 for this program. They need more than twice that amount to adequately provide the educational resources for these children.

Because of situations like this, this particular school district, San Luis Obispo, ends up spending 25 to 30 percent of their general funds for children with disabilities. The kind of resentment and tension that that creates within a local school setting is one of the unfortunate by-products of our lack of taking on our own responsibility. So school districts across this Nation are facing these terrible choices. It is putting an unnecessary burden on the local school district, costing them precious dollars, and it is pitting parents with students who have disabilities against parents of children who do not. What an unnecessary and unfair burden.

I am committed to working with all my colleagues here in Congress so that we can assure that all of our children get the best education, the best resources that our public schools have to offer them. One way, one very specific and concrete way that we can do that is to own up to our own responsibilities here in Congress and to fully fund the Individuals with Disabilities Education Act.

So I thank the gentleman for holding this session so that we can express our concerns about this matter, particularly timely, I believe today, in the face of this enormous tax budget cut, which is really going to wreak havoc on our opportunity to do this very thing.

Mr. ALLEN. I thank the gentlewoman for her comments, and I appreciate the point she has made, which is so important, that when the Federal Government fails to live up to its funding responsibilities there are real consequences for real people. The tensions the gentlewoman describes between parents of special ed kids and parents of other kids in a school district can be really quite serious.

In my State of Maine we have about 230 or 240 school districts. We only have 1.25 million people in the State of Maine; but we are geographically so large, we are so spread out, we have relatively small school districts, certainly compared to Virginia or Maryland or California.

□ 1915

It is a tremendous burden. I really thank the gentlewoman for making that point.

Mrs. CAPPS. If I could just respond in saying that when we are doing this in Congress, when we fund to 14 percent, we are not saving money by doing that. These are obligations and responsibilities that local school districts have. They bear the bottom line. It is the children in the local communities who have the right and come up to the school door and say, or the family say, here is my child, these are the needs, now you provide the resources. We ask them to do that, sometimes in very difficult circumstances.

When we do not meet our needs, it just foists that responsibility on overburdened districts that have many other obligations to make as well.

Mr. ALLEN. I thank the gentlewoman for her comments. That is also why we did not hear our friends on the Republican side of the aisle mention special education today, because they really do not want it to be part of this debate. But in truth if you pass a tax cut, as we did today, if the tax cut passed today by the House Republican majority becomes law, where will we ever in the next 10 years find the money to meet our responsibilities created when the Federal Government laid down the special education mandate 26 years ago?

I yield now to one of our outstanding freshman Members on the Democratic side of the aisle, Mrs. SUSAN DAVIS, who now represents San Diego, California.

Mrs. DAVIS of California. I thank the gentleman from Maine (Mr. ALLEN) for giving me the opportunity to rise today and urge Congress to make a priority in this session of budgeting sufficient funds for special education costs. I know it has been suggested that we look at the first of five annual steps this year, so that we work towards funding 40 percent of these special education costs.

This is about children. It is about children who have been challenged orthopedically, challenged physically in the full use of their senses or in the thinking processes that block their learning. We owe them a free education that accommodates their needs, even when these are in the high cost/small incidence category. We know that the effect on school district budgets of providing this court-ordered civil right can be enormous. Inevitably, meeting these moral and these local obligations leaves fewer resources for all the other educational purposes that we have.

In the California legislature, I worked for many months with educators and concerned groups to author a formula for California to distribute its available funds more equitably. It was about 17 years that they have been trying to find a way to do this. The goal for Federal funding would only reach 40 percent of the assumed average additional cost, and it would only reach this level in a way that we are talking about today several years down the road.

Some have argued that this might be too much money in some districts or that if the Federal Government assures these funds that a district might somehow identify more students as qualifying. I just do not believe that these are legitimate concerns. From my work in the California legislature, I know that the actual costs of educating special needs students varies a great deal. To receive an appropriate education, some children need full-time assistance or must be taught in special, sometimes private facilities. Children with severe disabilities may be a higher percentage of the disabled student population in one district than in the average nationally. I know that as a school board member in San Diego, we were always aware that military families were stationed in San Diego because of our special ed program, so that in many ways we attracted children to the district, and other children should not have to pay that price. We ought to fund the program properly.

Costs for special needs students can differ, we know, from community to community, because many States and communities have high costs of cost of living and spend a great deal annually on the costs for each pupil. Teacher salaries we know too may reflect that high cost of living and certified special education teachers are in short supply in many communities of our country. Such limited resources in other States and communities provide much less money per child on average and even after the Federal contribution, the unmet needs of disabled students create a much larger debt in their budgets.

I have yet to see a school district that would consider even 40 percent of additional special education funding as an incentive to identify students inappropriately, because doing so commits them to an extensive and expensive program of evaluating and meeting these children's needs. I believe that it is our fundamental responsibility, and I am pleased that my colleagues have spoken to this as well, that we commit today to a plan for meeting the 40 percent funding goal without taking the dollars from other ongoing educational programs.

I thank the gentleman from Maine for bringing this to us. In truth, this is a bipartisan issue. We know that, because there are a number of bills that have been introduced in the Congress from both Democrats and Republicans. We all recognize there is a need. We have heard from our communities for years and years and years on this issue. But we must look at it within the context of the larger budget and our tax debate. I thank the gentleman very much for bringing this to our attention and for being part of the dialogue today.

Mr. ALLEN. I thank the gentlewoman very much. Her comments certainly are correct. There are certainly many on the Republican side of the aisle who believe this is an important issue and who have joined with us in legislation to encourage full funding. The problem is that when it comes time to do the appropriation bill, the money turns out just not to be there. Now for one of the few times in our history as a country, we are sitting with a surplus, driven by the hard work of the American people and the fact that this economy has been growing extraordinarily rapidly by historical standards over the last 8 years. This is a moment of opportunity, a moment of opportunity to meet our obligations as a Federal Government to the States, to the school districts, to the children, to the parents and to the teachers to provide a better education not just for special ed students but for all students. If the Republican tax cut becomes law in the form in which it passed the House today, that opportunity will be lost and it may be lost for a decade. That is why this is such an important issue. I really thank the gentlewoman very much for being here today.

I would like to turn now to my good friend the gentleman from Arkansas (Mr. SNYDER), who has been a real leader on a variety of education issues and a variety of other issues in this Congress.

I yield to the gentleman.

Mr. SNYDER. I can assure the people of Maine that the gentleman cares so much about this topic that we were discussing it at 6:30 this morning as he was bench pressing several hundred pounds, which I thought was very impressive.

Let me just make several points here. First of all, this is about unmet needs and there are a lot of unmet needs in our country and in our States and in our towns. But it is also about unmet responsibilities. Not only is the need there but the responsibility is there, and we have not met it, as my colleagues have so eloquently been discussing. We see this several places in this process here, in this budget. I am on the Committee on Veterans' Affairs. On Tuesday we had our new Secretary of Veterans Affairs, a fine guy, a Vietnam veteran, he was there to discuss the overall budget number in the President's budget. It is the feeling of everyone on the committee and every veteran services organization, VFW, the American Legion, that that number is clearly not adequate, the budget number for veterans, for the veterans health care system and the other veterans responsibilities. There is a need there but it is also not just a need, it is a responsibility. We have not kept our responsibilities to veterans. The following days the Committee on Veterans' Affairs met and unanimously, Republican and Democrat, passed a resolution to send to the powers that be in primarily the Republican leadership that we need to add money, that this is our recommendation, higher than what the President recommended, because we think that not only are there unmet needs in the veterans community but there are unmet responsibilities. This is another example, this funding for IDEA for those kids in school districts that have these special needs.

In Arkansas, we have 310 school districts spread over our almost 2.5 million people. A lot of them are very small districts. A lot of them struggle. I was talking recently with one of the school superintendents. I brought up this topic of IDEA. It was actually a very moving conversation because he told me, he said, they absolutely know that they have a responsibility to do a good job with these kids, and they are going to do whatever it takes to do a good job with those kids. But because we the Federal Government do not meet our responsibilities, they have to pull money from other programs. For every Federal dollar that is not there, a State sales tax dollar, or a local property tax dollar has to go in to meet the responsibilities on those kids. These are all great people, they do a good job, but you can also sense there is some, I do not want to use the word bitterness but they are very uncomfortable with the fact that they know that they have agreed to this partnership with the Federal Government and we have not kept that responsibility.

The third point I would make is there is a long-range benefit to us all to meet this responsibility, because these are special needs kids, and these are kids if we make that investment now in their education and in the things that they can learn, it will be better for them and their families and for us in the future. Working with these kids, the earlier the better, with the best resources, the best technology, the best teachers, all that takes money.

The fourth point I want to make, and this is where I get a little bit baffled here, because it seems to me that what could happen is that we all just converge one day, Republican and Democrat, right down here on the floor of the House and say, by gosh, if we want to do nothing more in education but meet this commitment overnight to fund IDEA, we would accomplish what both sides of the aisle want and what our school districts want.

What do I mean by that? I think there is some bipartisan interest in putting additional money into education. I think that is great. I attended a forum with the President in Arkansas last week at a school, a grade school, and it was a great forum. He is talking about he wants to put additional money in education. Where we are arguing about is, well, will it be money that goes in kind of in the form of a block grant or will it be money that goes in with a little more control and how do you account for it? We are going to have that discussion and debate and I think it is a good debate, but one way to resolve it is to say, wait a minute, if we did nothing more than to make this commitment of resources to IDEA, both those ideas would be met, because the school districts are going to have flexibility because those Federal dollars would free up their State dollars to do with them what they want to. Right now their hands are tied. They do not have the flexibility to use their own State dollars because they are obligated to put them into this program that we have mandated on them, and they are also having to do our Federal share.

I think also folks from this side of the aisle that sometimes want more accountability, they would say, ''Wait a minute. We understand the school districts. We told them that we would give them this money. Let's step forward and give them this money because it is going for these special needs kids and that frees up money in the whole district.''

I think that this is an area that if the President wants to improve flexibility for school districts and how they can spend their dollars, all we have to do is just dramatically increase our commitment on IDEA, as we should do, as we are morally obligated to, and that would help kids, help all kids, help those special needs kids, give school superintendents flexibility and free up those State and local dollars that are in such short supply.

I appreciate the gentleman's efforts in this regard and I proudly have signed on to the bill of the gentlewoman from Oregon (Ms. HOOLEY) today that attempts to do this.

Mr. ALLEN. I thank the gentleman for his comments. His point about the Committee on Veterans' Affairs, looking at the proposed budget for veterans and finding it falling short is a real lesson to all of us. The one thing that is absolutely clear about this tax bill that the Republicans brought to the floor today is they brought it to the floor before the needs of our veterans, the needs of our kids, the needs of our transportation infrastructure, our defense requirements. None of that has even been laid out by this administration. Yet they are rushing through a tax cut which would basically eat up all, when you make the proper, reasonable assumptions, eats up all of the surplus for the next 10 years. I think a lot of the debate today was the concern that that is simply going at this backwards. It is dessert first, as some have said. We needed a much more responsible, more fiscally disciplined approach. We did not get it today, but we will hope for the best. I thank the gentleman for coming down here.

I would like to yield again to the gentleman from New Jersey (Mr. HOLT) for additional comments that he may have.

Mr. HOLT. The gentleman and our colleagues have made some very good points. I would just like to emphasize that someone has to pay for this. I actually take issue with this phrase that we hear so often, unfunded mandate. This is not something imposed by the U.S. Congress. What happened was in 1975 there had been a series of court cases that made it clear that the local schools had an obligation to provide education, had an obligation to provide free, appropriate, excellent education.

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Among those cases was Park versus State of Pennsylvania, Mills versus D.C. Board of Education. Schools understood that this meant enormous expenses for them because more than 25 years ago, when Congress passed IDEA, it was to give hope to children with disabilities, and the law has been really very successful in that respect.

Before its passage, children with disabilities were either segregated from other students, given inferior education or too often received no education at all.

There is an American ideal of excellent education for all, and the courts made that clear. What Congress did in 1975 was to look around the country, find the average cost of educating students, the average cost of educating students with special needs, and made the average estimate that it was about twice as expensive on average to educate the students with special needs. So Congress codified this already-existing need. It was a moral obligation, as well as a legal obligation, and Congress said to help the States and the local school districts meet this need that was clearly going to be expensive, Congress would over time fund up to 40 percent of the cost, and this was codified in the bill called Individuals With Disability Education Act, IDEA.

As I mentioned earlier and as our colleagues have said, now we are up to only about 14 percent, a little over 14 percent, of funding the costs according to this formula that was laid out in IDEA. So someone has to pay for it.

We have an obligation to educate these children, and we have learned so much. As the gentleman from Arkansas (Mr. SNYDER) said, Federal research shows that investment in education of our children with disabilities, starting in the very earliest years, starting from birth, throughout their school years, has rewards and benefits that are not only for those children themselves but for our whole society, and research shows that promoting educational opportunity for children with disabilities directly affects their ability to live productive lives and to be productive, contributing members of our society.

Research also has taught us a lot about how to provide excellent education for these children. So through better diagnostics and through what we have learned about remedial activities, as well as what we have learned about how all children learn, of course, there are enormous variations. Today, because of IDEA, infants and toddlers are receiving early intervention and special education is working. It is helping all of society. So I take exception to this phrase, unfunded mandate. There is an obligation here. The Federal Government can and should help. Certainly, in a State like mine where almost all of the school expenses are paid through property taxes, the property owners feel the burden of this and are crying for help.

It is an important and a tough subject. The gentleman has put it in perspective very well. Today is a good day to be speaking about this. It is not a good day because I am not happy with what we have seen on the floor here earlier, but it is an appropriate time to be talking about it.

Mr. ALLEN. Mr. Speaker, I thank the gentleman from New Jersey (Mr. HOLT) for his contribution to this discussion tonight.

It might be worth just revisiting sort of the basic numbers. Right now the current level of funding for special education from the Federal Government to the States, through the grants to States program, is a bit over 14 percent. It is the highest it has ever been, largely because in the last 3 years we increased that number by about $1 billion a year to get to the $6.3 billion in the current fiscal year.

Now, to do full funding, what we mean by full funding is that the Federal Government would fund 40 percent of the costs of special education. We would need an additional $11.4 billion in fiscal year 2001 for a total of $17.7 billion. The reason this is appropriate to be discussing tonight is, we just passed, over our objection, a trillion dollar component of a $1.6 trillion tax cut with no effort, no discussion, and nothing in the President's proposed outline of a budget that would suggest there is going to be anything like full funding of special ed.

Here we are at a moment of our history when we could meet that mandate, help out our towns, help out our cities, help out our kids, parents and educators, and we are just passing it by as if this topic were not to be discussed until the tax cut was passed. If the Republican tax cut passes in the form in which it went through this House today, I think it is safe to say that it will be a decade before we will be close to full funding of this mandate.

I would like now to turn to the gentleman from Guam (Mr. UNDERWOOD), who has been actively interested in this particular area and with whom I sit on the Committee on Armed Services.

Mr. UNDERWOOD. Mr. Speaker, I thank the gentleman from Maine (Mr. ALLEN) for yielding.

Mr. Speaker, I want to congratulate the gentleman from Maine (Mr. ALLEN) for his excellent leadership on this particular issue. This is exactly an appropriate time to raise concerns like this, especially those areas of educational activities which we have passed into national law. What a time to raise this, when in effect we have squandered an opportunity to take care of this amongst many other issues.

I would like to add my own personal support for full funding of IDEA. This is an issue which has come to me as a professional; I am a professional educator by trade. My wife in particular, Lorraine, also worked in special ed for a number of years in Guam, and in dealing with children with the severest conditions, particularly infant children, one of the unfortunate dimensions of not fully funding an activity like this is when one is in an isolated community like Guam, they are unable to secure the kinds of financial resources and professional attention that they need.

When they have a small community but they have these very strong needs and these are human beings and these are people that we have made a national commitment to, it is exactly the appropriate day today to raise this in the context of the fact that we have let an opportunity go by to raise this.

Again, I want to congratulate the gentleman from Maine (Mr. ALLEN) on his leadership, very fine leadership, on this issue.

Mr. ALLEN. Mr. Speaker, I thank the gentleman from Guam (Mr. UNDERWOOD) for his support.

Mr. Speaker, I would just like to add a few comments about my recent experience. In the first 2 months of this year, I organized a couple of forums with educators who are expert in K through 12 in Maine and we had conversations. Some of them were principals. Some of them were businessmen and women. Some of them were university professors, and we talked about the problems in Maine with special education. Sixteen percent of our kids in Maine are identified as special ed. We take the obligation to give them a free and appropriate and excellent education very seriously, and, in fact, they are doing well. I mean, by the measures of the tests that we use to assess progress as students go through, our special ed kids are doing very, very well. We are proud of what they are doing.

As a number of Members tonight were saying, the cost of educating special ed students is really substantial. On average, it may be about twice, that is $12,000 as compared to $6,000 per year but, in fact, some students require very special services and one can be looking at $40,000 or $50,000 or sometimes even $100,000 a year to provide that free and appropriate education to someone with significant disabilities.

I then went out into my district and organized four forums in four different communities through the local PTA or through other volunteer groups, groups of volunteers in our schools. I sat at these meetings with parents who were volunteers typically, with school administrators, with superintendents of schools, a few teachers and a few students. It was interesting.

When one goes back to the grassroots and talks with people involved in education on a day-to-day basis, they really are not talking about testing as much as they are talking about three things. Number one, always number one, is the plea to give full funding for special education because so many other things fall into place if they can simply use some additional amount of the increased funds each year at the local level for the regular education programs and not have so much drain-off by special education activities.

The second plea they made over and over was a plea for assistance in finding, recruiting and retraining teachers, particularly in the math and sciences. Our school districts in Maine are having a very hard time finding, recruiting and holding teachers. The salaries are not high enough in many cases to attract the kind of people they want.

Third, school construction, we have a lot of snow up in Maine. Our buildings need to be very solid, very secure and they need to be well insulated. The fact is that many of our schools are old. As I mentioned earlier, we have about 230 school districts and we have some excellent schools in terms of facilities, some new schools. Then we have some which, frankly, really need help.

So the proposal that President Clinton made in the last couple of years of his term that the Federal Government pick up some of the interest costs on bonds that are floated for school renovation or construction was something that really resonated among people who are involved in education in my home State of Maine. I am not sure we are going to see the same kind of interest or commitment from this administration, but I will reserve judgment until we see a budget in some detail.

Mr. HOLT. Mr. Speaker, will the gentleman yield?

Mr. ALLEN. I yield to the gentleman from New Jersey.

Mr. HOLT. On that point, the gentleman talks about the needs for school construction. It is clearly a national need to find and recruit and train teachers and give them good, continual professional development, and there is IDEA and special education.

In his campaign, President Bush promised to increase the resources for special education, moving toward, as he said, full funding of the average per-pupil expenditures. Let me hasten to say, as I said earlier, I believe that there is money available to give people of this country a significant tax cut. I want to do that, but we want to get the horse before the cart, get our obligations out in front of us, talk about the debt, and then make our decisions. But to make room for this huge tax cut, President Bush's budget would provide $44.5 billion for the U.S. Department of Education, a 2.4 percent increase, which is only 6 percent, which does not keep pace with the increase in the Department of Education over the past 5 years. In fact, compared with last year, which was 18 percent, it is a very small increase.

As our colleague, the gentlewoman from Oregon (Ms. HOOLEY) pointed out, that increase is not enough to deal with special education only; even that, not counting school construction, not counting after school and summer school programs, not counting teacher recruitment.

There is, in the sketchy numbers we have about the budget from the President, for the Department of Education, it looks like it does not add up. Something has to give.

Mr. ALLEN. Mr. Speaker, I thank the gentleman from New Jersey (Mr. HOLT) for his comments.

Mr. Speaker, we started this conversation about the discrepancy between a tax cut of $1.6 trillion over 10 years and what that does to all of our other priorities. I thought that Democrats on our side of the aisle made the case very well today for a more balanced approach so that some money was there, both to protect against the uncertainty of future projections but some funds there to pay down the debt more than the President proposes, some funds there for spending priorities like a Medicare prescription drug benefit and for special ed. This is an opportunity that we will lose, we will lose for years, if we do not deal with it right now, before a tax cut is passed that will just simply slam the door on the opportunity for full funding for special education.

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Mr. HOLT. If the gentleman will yield, in a conversation with school board members today in my office here in Washington, I said what is going on over on the floor right now is eating your lunch, not the school lunch program. Come back a month from now and they will say, I would like to help with special ed; but it is just not there, the money is not there.

Mr. ALLEN. Mr. Speaker, we have been joined by the gentleman from Washington (Mr. INSLEE), and we are very pleased to have the gentleman here at the tail end of this Special Order on special education, and I am happy to yield to the gentleman.

Mr. INSLEE. Mr. Speaker, I appreciate the chance to express a view from the northwest on this subject. I have a child who went through special education, so I am particularly interested on a personal level in this. I just want to make a comment about what happened today with the tax cut as it broadly relates to a lot of issues, and not just special ed. I think it was a great opportunity missed by our new President, our new President who certainly has talked a lot about uniting the country; and yet we found today, with this tax cut brought to the floor of this House with no opportunity to talk to the Democratic Party about the tax cut, or the budget, whatsoever; it was rammed through this House. Frankly, the new President's tax cut had all the uniting qualities of a guillotine in cleaving this House right down the middle with no discussion with the Democrats or the Republicans, for that matter, on a budget, special ed or otherwise. I just want to note that I think it was a tremendous opportunity lost.

We are now going to hope that the President talks with us about special ed and some other issues.

Let me just mention one of the other casualties of this tax cut, without a budget first. On the very day we had a 6.8 on the Richter scale earthquake in Seattle, the President announced that as part of his efforts to make room for the tax cut, he wanted to kill Project Impact, which is a project that we used in Seattle to help get ready for earthquakes and have earthquake preparedness. We had efforts that went on in Seattle that helped us avoid any loss of life in Seattle as a result of that.

But in blind observance of this tax cut, without any consultation with the rest of his government, he wanted to zero out this $25 million project. Why did he do it? The Vice President told us he thought it was an ineffective program. I went to Stevens Elementary School where a one-ton tank of water was over these kids' heads, it was secured and did not collapse, partially as a result of this earthquake preparedness money. Those kids thought it was an effective program. So it is interesting. We asked the FEMA director, Joe Allbaugh, what he thought of this, and he said, well, you know, nobody asked me about this project. They zeroed out a project in the FEMA budget and nobody asked the FEMA director appointed by President Bush and, on educational issues, this was rehab money for school districts, and in the seven schools where this money was used, nobody got hurt and no structures collapsed.

Mr. Speaker, I would just point out it is one instance where we had a loss today.

Mr. ALLEN. Mr. Speaker, I thank all of my colleagues for participating.

INTERNATIONAL WOMEN'S DAY

The SPEAKER pro tempore (Mr. PENCE). Under the Speaker's announced policy of January 3, 2001, the gentleman from Guam (Mr. UNDERWOOD) is recognized for 60 minutes.

Mr. UNDERWOOD. Mr. Speaker, I rise today in support of March's Women's History Month and March 8 as International Women's Day, which is today, here in Washington, D.C.; and I would also like to honor the late Honorable Cynthia Johnston Torres, a distinguished member of the Third Guam Legislature.

Women's history month is a time to pay tribute to the women of our Nation, an appreciation for their contributions to the political, social, economic and cultural development of our country, in recognition of the many struggles and obstacles that women face, and in honor of the integral role that women have played in American history. Women make up, of course, over half of our country's population and have changed our Nation in many positive ways, and women have made their mark in various fields such as science and business, education, health, the public sector, the arts and entertainment, and the list goes on and on.

The progress of women today must be considered in conjunction with continuing challenges. Today, women are affected by the major issues on our Nation's agenda, including and especially health care, Social Security, Medicare, tax reform, et cetera. Most recently, ergonomic issues impact women the most who represent 64 percent of the repetitive motion injuries that result in lost work time and, regrettably, the House voted to eliminate the most recent progress we have made on this issue.

It is encouraging that 6 out of 10 women participate in the labor force. However, employment discrimination and unequal pay still exists. The future, however, looks promising as women are demonstrating increased participation in all levels and branches of government. Unfortunately, we still have many who have unrealistic and outmoded expectations about so-called traditional roles.

Women's History Month has its own history that illustrates the gains that women have made in the last century. In order to reflect on international connections among women, some European nations have been celebrating International Women's Day on March 8 since 1911, following women's suffrage in 1920 and the valuable contributions made by women to the war industries during the 1940s and World War II. Women's issues were pushed to the forefront during the 1960s. The history of women has been finally acknowledged in schools and has become part of the regular curriculum in the 1970s; and in 1981, the National Women's History Project spearheaded the initiative for National Women's History Week. The U.S. Congress passed a resolution in recognition of this week; and in 1987, this week has been expanded to National Women's History Month.

Mr. Speaker, my own island of Guam proudly takes part in celebrating Women's History Month. The Bureau of Women's Affairs holds events recognizing women's accomplishments, addressing women's issues, and empowering women to be the best that they can be. The theme for 2001 is ''Celebrating Women of Courage and Vision,'' and there will be a proclamation-signing not only for Women's History Month, but also for the Year of the Family.

Today, the spirit of community and attention to women's issues in Guam is alive and well, as the Bureau of Women's Affairs and the Guam Council of Women's Clubs celebrated International Women's Day ahead of us, a day ahead of us, because Guam is always ahead, in an event involving the participation of various women's clubs and organizations from the government of Guam and the private sector. These organizations learned more about each other and shared information while many contributions from various cultures that are represented in Guam and artwork of Guam were showcased for all to see.

The children of Guam are also active during Women's History Month, as they have participated in a poster and essay competition in promotion of this year's theme, ''Celebrating Women of Courage and Vision.'' Elementary school children have submitted posters and middle school and high school students have entered an essay contest, all of which are displayed at the center court of the Micronesian Mall. Such an event raises early awareness of women's issues and fosters early recognition of women's contributions to Guam's development.

Finally, at the end of the month the outstanding women for the year 2000 will be honored at the seventh annual awards banquet at the Guam Marriott Resort. Winners from the categories of non-traditional role; grandmother, GovGuam/Federal civil service; mother; community private sector will be announced. The influx of nominations illustrates that, indeed, the island does embrace women of courage and vision.

In the executive branch of the government of Guam, Lieutenant Governor Madeleine Bordallo holds the highest position ever held by a woman in the government of Guam, and she currently serves her second term at this most important post. Out of the 60 agencies of the government of Guam, 11 are headed by women, including Andrea Finona of the Guam Passport Office; Sheila Torres of the Agency for Human Resources and Development; Jeanette R. Yamashita of the Chamorro Affairs Department; Isabel Lujan of the Department of Commerce; Rosie R. Tainatongo of the Department of Education; Borah J. Bordallo of the Guam Council on the Arts and Humanities; Geraldine ''Ginger'' S. Underwood of the Guam Educational Telecommunication Corporation, KGTF; Taling Taitano of the Guam Housing and Urban Renewal Authority; Dr. Davina Lujan of the Guam Memorial Hospital; Thelma Ann Perez of the Guam Power Authority; and Christine K. Scott-Smith of the Guam Public Library.

In addition, six of these 40 deputy directors are women.

While others have served in acting capacities, Lourdes T. Pangelinan is the only woman who has served as the permanent chief of staff for the Governor of Guam.

As we can see, political representation by women in Guam is encouraged. In fact, Guam law requires that all government of Guam boards and commissions maintain at least two female members in every board and commission. Several key boards have female chairpersons, such as the former Senator, Pilar Cruz Lujan, at the Guam Airport Authority; Lillian Opena at the Guam Council on Youth Affairs; Dr. Heidi San Nicolas at the Guam Development Disabilities Council; Miriam S. Gallet at the Guam Environmental Protection Board of Directors; Corina G. Ludwig at the Guam Mass Transit; Ann Muna at the Guam Memorial Hospital; Bernadita Quitugua at the Guam Museum; and Arlene P. Bordallo at the Port Authority of Guam Board of Directors.

Women's participation in the legislative branch has also increased over the years and is the highlight of Guam's political history. The first elected female to public office was Rosa T. Aguigui of Merizo who was elected to the Guam Congress in 1946; and since 1986, women represent approximately one-third of the membership of the Guam legislature. Female membership was at its peak in 1990 when seven women were elected to serve in the 22nd Guam legislature which consists of 21 members. During 3 separate years, women were the highest vote-getters for a legislative campaign. In 1986, Mayor Marilyn D.A. Manibusan had the most votes. In 1988, it was Madeleine Z. Bordallo, and in 1990, Doris Flores Brooks. Female legislators that have held the highest offices are Vice Speaker Katherine B. Aguon; Legislative Secretaries Pilar C. Lujan, Elizabeth Arriola, Judith Won Pat-Borja, and Joanne Brown; and Rules Committee Chairperson Herminia Dierking.

In 1954, Lagrimas Leon Guerrero Untalan and Cynthia Johnston Torres were the first women elected to the Guam legislature. Currently, three of the 15 members are women: Senator Joanne M.S. Brown, who is legislative secretary and chairperson of the committee on Natural resources; Senator Lou A. Leon Guerrero, who is the assistant minority leader; and Senator Judith ''Judy'' T. Won Pat, the assistant minority whip. Past members have included Lagrimas Leon Guerrero Untalan, Cynthia Johnston Torres, Katherine B. Aguon, Carmen Artero Kasperbauer, Madeleine Z. Bordallo, Elizabeth P. Arriola, Pilar C. Lujan, Marilyn D.A. Manibusan, Hermina Duenas Dierking, Marcia K. Hartsock, Martha Cruz Ruth, Doris Flores Brooks, Marilyn Won Pat, Senator Hope A. Cristobal, Senator Carlotta Leon Guerrero, and Senator Elizabeth Barrett-Anderson, who is currently a Superior Court judge. The highest staff position held by a female in the Guam Legislature is deputy director, held by Dorothy Perez.

Women have also made promising gains in the judicial branch as well. Two out of the seven judges of the superior court are women: Frances Tydingco-Gatewood and Judge Katherine A. Maraman. In the past, two out of the three full-time supreme court justices have been women: Justice Janel Healy-Weeks, who retired about 2 years ago, and the late justice Monessa Lujan. Three out of the island's 19 village mayors are women, including Isabel Haggard, who is in her 4th term as the mayor of Piti and is also a former vice president of the mayor's council; Mayor Rita Tainatongo of Merizo, who is serving her first term; and Concepcion B. Duenas, mayor of Tamuning-Tumon, who is also serving her first term. Three out of the five vice mayors are women, including June U. Blas of Barrigada; Melissa B. Savares of Dededo; and Nancy T. Leon Guerrero of Tamuning-Tumon, who are all serving their first term.

Women have also held high positions in political parties. Marilyn D.A. Manibusan was the first and, to date, the only female chairperson of the Republican Party.

As a native of Chamorro from Guam, I am proud to announce some of the ''firsts'' for Chamorro women, a few of which I have mentioned already. Dr. Olivia Cruz was the first Chamorro woman licensed by the Medical Licensure Board; Frances Marie Tydingco Gatewood was the first Chamorro woman judge of the superior court; Elizabeth Gayle was the first Chamorro woman to be civil engineer; Dr. Rosa Robert Carter was the first Chamorro woman president and the only female president of the University of Guam; Mary Inez Underwood was the first woman of Chamorro ancestry to enter the religious life; Elizabeth Barrett Anderson was the first Chamorro woman attorney general; Rosa T. Aguigui Reyes was the first Chamorro woman elected to public office, as a member of the Guam Congress; Dr. Katherine B. Aguon was the first Chamorro woman to earn a Ph.D.

□ 2000

These women in public service have been exemplary for the entire island and for our navigation, and I am truly honored to represent a district with such strong women.

Historically, the women of Guam have always played an important role in Guam society. In pre-Western times in Guam society, the Chamorro society was based on a matrilineal clan system in which women performed important and powerful roles in the lives of the people. Lineage was traced through the female line, and it was the relationships via the mother which determined wealth, social standing and power.

Even with the onset of Western contact, which was patrilineal in nature, particularly the kind of Western contact that was experienced in Guam, which came primarily from Spain. Despite that, the Chamorro female retained much formal and informal power in Guam society. This has carried itself to the present, and girls and women continue to be influential in some social settings in Guam and quite dominant in others.

Openness to female leadership and women in influential roles have been part of the Guam scene, not because of, because in spite of Western contact.

Mr. Speaker, we must also pay tribute to the women whom I have not mentioned by name, yet who have also had a significant impact on our lives: Working women, who fight for equal pay and nondiscriminatory treatment; the women who stand up against domestic and family violence; the women who teach our children to become future leaders; like my mother and my wife Lorraine and even my own daughter Sophia, all of whom have been and still continue to be teachers in more ways than one, and the women who continue to learn in higher education institutions; the female community leaders who advocate for women's issues, lesbian women who are still fighting for the acceptance that they rightfully deserve.

Last but certainly not least, let us pay tribute to mothers, who provide love and direction so our children are raised to become citizens with decency and values; single mothers who make sacrifices everyday so their children can live good lives; daughters who grow up to become independent women of integrity and diligence; and wives who provide companionship and stability.

These are the women we celebrate in March for Women's History Month, and these are the women that we should celebrate all year round.

Mr. Speaker, I urge my colleagues to recognize Women's History Month, not only because women's history is key to American history, but because women have contributed so much to our Nation through their strength, courage and vision.

Mr. Speaker, I would like to make particular note about the passing of a woman who has provided inspiration to all the people of Guam, the Honorable Cynthia Johnston Torres. It is with a great sense of loss that we commemorate Former Senator Torres, a distinguished member of the 3rd Guam legislature, who passed away 2 days ago at the age of 89 on March 6, 2001.

Senator Torres is a noted figure in Guam politics and society. She holds the distinction of being one of the first women to be elected to public office on the Island of Guam. Along with Lagrimas L.G. Untalan, the late senator was elected to serve in the 3rd Guam legislature in 1954.

They were the first and only women elected to Guam's unicameral assembly during the first 10 years of civil government on Guam.

Although women have previously served as appointees to the Guam Congress, an advisory board to Guam's naval governors during the first half of the last century, Senators Torres and Untalan's election marked the first time that women would serve as elected representatives for the people.

Foremost among the reasons behind the candidacy of Guam's first women senators were two specific objectives. These objectives were to define the character of Guam in and the years to come. The candidates intended to set a precedent. They wanted to have Guam's women involved in civic and political affairs. They believed that women should be independent, assertive and outspoken, just like these two women were.

The significant number of women who have since served in key positions and elected to public office demonstrates the fulfillment of this goal and reflects the contributions of these two women, in particular the woman I want to draw attention to today, Ms. Cynthia Johnston Torres.

The other objectives set forth in the 1954 elections was to break the concept of blocked voting, a practice whereby an X placed by a voter on a large box within the ballot automatically casts votes for an entire slate of candidates. During the elections for the first and second Guam legislatures, the forerunner of the Guam Democratic party, the Popular Party, was the only major political party in existence.

Members of this party had absolute control of the first two legislatures. In 1954, Senator Torres' election as an independent to the legislature earned her a prominent position which ensured leadership status when the Territorial Party, which is commonly assumed to be the forerunner of the Guam Republican party, was formed in 1956. Guam voters have since been known to cross party lines and cast votes for candidates they feel most qualified rather than simply for party affiliations.

Mr. Speaker, as a Member of the 3rd Guam legislature, Senator Torres played a vital role in the passage of important legislation, the most notable being Public Law 42, which established trial by jury in certain cases within the jurisdiction of the District Court of Guam. In addition to a wide range of bills, which codified the island of Guam's administrative and corporate procedures, the establishment of the Guam Memorial Hospital, the only civilian hospital, took effect during the senator's tenure and occurred as a result of her efforts.

Although, undoubtedly, a very distinguished political figure, Senator Torres left a more distinct mark in the field of education. Born on July 27, 1911 to William G. and Agueda Iglesias Johnston, the senator took a path not much different from the ones taken by her parents.

As the daughter of prominent educators, her parents' profession led her to devote her life to the field of education. Having received an education in California, Senator Torres returned to Guam in 1932 to become a teacher.

She married a local successful entrepreneur, Jose Calvo Torres shortly thereafter. Mr. Torres passed away in 1946. The senator took over his business ventures and quickly became a respected member of the local business community.

Having noted the lack of educational opportunities for Guam's handicapped children, Senator Torres decided to sell her business interests in 1958 in order to pursue a degree in education and special education, in particular.

Upon completing her master's degree at the University of California in San Diego, she came back to Guam to become a consultant for the island's only school for physically and mentally handicapped children. She later became principal of the Chief Brodie Elementary School. Under her direction, this school developed and implemented educational and vocational programs which she added to the customary custodial care previously provided by the school to handicapped children.

She retired from government service in 1975, and in recent years, she has served the community through her involvement in civic organizations.

She was a member of the University of Guam Board of Regents, the Guam Economic Development Authority, the Marianas Association of Retired Citizens. She was a cofounder and charter member of the Guam Lytico-Bodig Association. She has served as chair to the Guam Memorial Hospital's Board of Trustees and was a past President of the Guam Association of Retired Persons.

For all her work and accomplishments, Senator Torres was conferred numerous awards and commendations, and she has received commendations in the Guam legislature, which has recognized her and commended her for her love and service for the people of Guam.

Mr. Speaker, in addition, she was awarded an honorary Doctor of Law Degree from the University of Guam in 1981, and the distinguished leadership award from the American Biographical Institute for Outstanding Education.

Senator Cynthia Johnston Torres leaves a great legacy of service and devotion to the island and the people of Guam. A pioneer in the field of politics and education, her endeavors and accomplishments provided inspiration to the men and women of Guam.

As we mourn her passing, perseverance and energy will live forever in our hearts.

Mr. Speaker, adios, Senator Torres, yan gof dangkalo na si Yu'os Ma'ase ginen todos I taotaon Guam. You are an inspiration to the people of Guam and to our Nation. During women's history month and beyond, we will celebrate your life and your legacy.

Mr. Speaker, March is more than just Women's History Month in Guam. It is also the month in which we celebrate the indigenous roots of the islands. It started off as Chamorro Week. It has now been expanded to Chamorro Month. And, ironically, it was connected to an event which occurred in 1521, which on March 6, 1521, Ferdinand Magellan, Magallanes, one of the world's most famous explorers, who has since become as the first European to lead a circum-navigation of the earth landed on Guam on March 6, 1521.

In observance of this landing, the people of Guam celebrate what has been known as Discovery Day, and this past Tuesday, March 6, 2001, Guam celebrated the 480th anniversary of Discovery Day.

Mr. Speaker, of course, since that time, there has been much soul searching about the meaning of being discovered, the meaning of contact with the West, and the fact that the people of Guam and, indeed, the people of the Pacific Islands as they interacted with Europeans experienced a number of tragedies, including immediate depopulation, either caused by armed conflict or diseases for which there was no natural immunity in these relatively isolated islands. As a consequence, there has been an attempt to balance how we remember these events.

Indeed, when Ferdinand Magellan first came to Guam in March 6th, 1521, he was at the tail end of his move across the Pacific, had rounded the Cape in South America. By the time they arrived in Guam, his crew was reduced to eating all the rats aboard ship and actually boiling some of the leather in their shoes so that they could perhaps get some sustenance from that, and so it was fortunate for the crew. It was fortunate for Magellan that they happened upon to the island of Guam and indeed the people of Guam replenished them, gave them food and water.

Mr. Speaker, an incident occurred at the time in which the Spaniards claimed that the Chamorro people were trying to steal a little boat, a little skiff, which in the old days of these gallon-type vessels, there would all be like a little boat kind of trailing behind. In retaliation, Magellan landed a crew of people and with crossbows proceeded to kill seven Chamorros.

It is of great irony that many, many centuries later the people of Guam who had this experience, first-time experience with Europeans would actually commemorate Discovery Day, although, somewhat in tongue and cheek these days when this landing is recreated as it was earlier this week, it is the Chamorros who in turn killed the Spaniards. So it has taken on different dimensions.

It is part of a constellation of events, which has come to be known as Chamorro Week and Chamorro Month. I have been intimately involved in this process, because as a young teacher in the 1970s, I, along with a fellow teacher at George Washington High School in Guam, first conceptualized the idea of celebrating the indigenous culture and language and food and customs and art of the people of Guam.

Mr. Speaker, at that time, many of these items were thought to be of little social value, of absolutely minimal educational value. It was our intent at that time to not only highlight and celebrate and commemorate this beautiful culture, which had been 4,000 years in the making and which we have inherited for generation upon generation, to try to reflect upon it and the changes which have occurred on it and find room for it in the curriculum of the public schools and, indeed, all the schools of the island.

At the time that we did it, it was not originally widely accepted. Since that time, Chamorro Week celebration has become very widely accepted and is now practiced throughout the schools, and in many ways was part of a larger effort to reintroduce the essence of the culture and the language of the people of Guam into the public schools.

Today children in Guam are learning the Chamorro language and learning much about their heritage and much about their past in ways that would have been thought unthinkable when I was in elementary school. We feel very good about that, and we feel that March is a good time to reflect upon that and as we juxtapose the circumstances surrounding the arrival of Ferdinand Magellan and all those things, all of the events which followed that so-called discovery and the changes of this culture that has come to be known as the Chamorro culture of the Mariana Islands, of which Guam is the largest islands, more probably appropriately called the culture of the taotaomonas, the people of the land.

□ 2015

Now, throughout this whole time period, if we go back this 480 years, I take this opportunity to raise the historical background to the House, and I do this annually in order to draw attention to the fact that the people of Guam and, indeed, the people of all small Pacific island societies have a great challenge ahead of them; and that challenge is to survivor this century.

In many ways, the people, the indigenous Pacific islanders of the world feel impinged upon and feel that many of the things that they find familiar will be so dramatically altered over time that they will cease to exist as peoples, not just cease to exist as individuals, but that maybe three or four or five generations from now there will be no one who will identify themselves proudly as Chamorros and understand the meaning of that.

It is with some note of melancholy that I draw attention to this, because one of the most beautiful parts of it is the fact of the use of the Chamorro language, a language which I grew up with and which I know reasonably well. Yet, it pains me to know that succeeding generations do not know it as well.

So we use this opportunity to reflect upon the condition, the cultural condition and the social condition of our people as we engage upon this celebration and as we engage upon this commemoration.

It also provides some understanding to the kinds of legislation which I have introduced, including H.R. 308, an act to establish a Guam War Claims Review Commission which speaks to the experience of the Chamorro people during World War II, and a House concurrent resolution which I introduced in the past Congress and which I will introduce in this Congress, a resolution to reaffirm the commitment of the United States to help Guam achieve full self-governance.

After more than four centuries of colonial rule under Spain, under Japan, indeed under America, the people of Guam are entering a new world of self-discovery. Discovery by others is not nearly as important as discovery of oneself. And definition by others is meaningless if you cannot initially define yourself. And determination of your future pales in significance to self-determination.

So Guam in full partnership with the United States and in its strong desire to remain an integral part of the United States is now undergoing a process of self-discovery and self-definition and ultimately self-determination.

This process will eventually wind its way through this body as it has through the hearts and minds of the people of Guam, and it will call upon each and every one of us to, not only treat with respect the experiences of Guam, but to apply fully the best principles of democracy which makes America the great Nation that she is.

In the coming weeks, I will explain in greater detail H.R. 308 and the concurrent resolution which reaffirms the United States' commitment to help Guam achieve full self-governance. Both of these proposals seek justice for the people of Guam and true and full democracy and fair play as unique members of the American family.

In conclusion, I must believe that the people of Guam celebrate Discovery Day, this ironic holiday for us. It is a holiday in Guam, I might add, to recognize our rich culture and understand our unique history. This will enable us to understand how we are perceived and allow us to articulate our true history so that we, along with the United States, in this new century can redefine and maintain our strong relationship and allow Guam a greater voice in how the island is governed.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. SHOWS (at the request of Mr. GEPHARDT) for today on account of a death in the family.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Ms. HOOLEY of Oregon) to revise and extend their remarks and include extraneous material:)

Mrs. MALONEY of New York, for 5 minutes, today.

Mr. DEFAZIO, for 5 minutes, today.

Mrs. JONES of Ohio, for 5 minutes, today.

Ms. MILLENDER-MCDONALD, for 5 minutes, today.

Ms. JACKSON-LEE of Texas, for 5 minutes, today.

Ms. KILPATRICK, for 5 minutes, today.

Ms. BROWN of Florida, for 5 minutes, today.

Ms. NORTON, for 5 minutes, today.

Mr. OWENS, for 5 minutes, today.

Ms. SLAUGHTER, for 5 minutes, today.

Ms. ESHOO, for 5 minutes, today.

(The following Member (at the request of Mr. PLATTS) to revise and extend his remarks and include extraneous material:)

Mr. THUNE, for 5 minutes, today.

(The following Member (at his own request) to revise and extend his remarks and include extraneous material:)

Mr. GRUCCI, for 5 minutes, today.

ENROLLED JOINT RESOLUTION SIGNED

Mr. Trandahl, Clerk of the House, reported and found truly enrolled a joint resolution of the House of the following title, which was thereupon signed by the Speaker:

H.J. Res. 19. Joint resolution providing for the appointment of Walter E. Massey as a citizen regent of the Board of Regents of the Smithsonian Institution.

SENATE ENROLLED JOINT RESOLUTION SIGNED

The SPEAKER announced his signature to an enrolled joint resolution of the Senate of the following title:

S.J. Res. 6. A joint resolution providing for congressional disapproval of the rule submitted by the Department of Labor under chapter 8 of title 5, United States Code, relating to ergonomics.

JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Jeff Trandahl, Clerk of the House, reports that on March 8, 2001 he presented to the President of the United States, for his approval, the following bill:

H.J. Res. 19. Providing for the appointment of Walter E. Massey as a citizen regent of the Board of Regents of the Smithsonian Institution.

ADJOURNMENT

Mr. UNDERWOOD. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 8 o'clock and 20 minutes p.m.), under its previous order, the House adjourned until Monday, March 12, 2001, at 2 p.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 8 of rule XII, executive communications were taken from the Speaker's table and referred as follows:

1144. A letter from the Acting Administrator, Agricultural Marketing Service, Fruit and Vegetable Programs, Department of Agriculture, transmitting the Department's final rule—Olives Grown in California; Increased Assessment Rate [Docket No. FV01–932–1 IFR] received March 6, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

1145. A letter from the Acting Administrator, Agricultural Marketing Service, Fruit and Vegetable Programs, Department of Agriculture, transmitting the Department's final rule—Tomatoes Grown in Florida; Change in Size Designation [Docket No. FV00–966–1 FIR] received March 6, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

1146. A letter from the Acting Administrator, Agricultural Marketing Service, Fruit and Vegetable Programs, Department of Agriculture, transmitting the Department's final rule—Sweet Onions Grown in the Walla Walla Valley of Southeast Washington and Northeast Oregon; Revision of Administrative Rules and Regulations [Docket No. FV00–956–1 FIR] received March 6, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

1147. A letter from the Acting Administrator, Agricultural Marketing Service, Fruit and Vegetable Programs, Department of Agriculture, transmitting the Department's final rule—Hazelnuts Grown in Oregon and Washington; Establishment of Interim and Final Free and Restricted Percentages for the 2000–2001 Marketing Year [Docket No. FV01–982–1 IFR] received March 6, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

1148. A letter from the Acting Assistant Secretary for Legislative Affairs, Department of State, transmitting the annual report on proliferation of missiles and essential components of nuclear, biological, and chemical weapons, pursuant to 22 U.S.C. 2751 nt. Public Law 102—190; to the Committee on Armed Services.

1149. A letter from the Director, International Cooperation, Department of Defense, transmitting a copy of Transmittal No. 04–01, concerning a proposed project certification for Annex E on Lethality to the Memorandum of Agreement (MOA) Between the United States and Germany concerning a cooperative program for extended air defense, pursuant to 22 U.S.C. 2767(f); to the Committee on International Relations.

1150. A letter from the Director, International Cooperation, Department of Defense, transmitting a copy of Transmittal No. 06–01 which informs of plans to Conclude Amendment One to the Memorandum of Understanding with the NATO HAWK Production and Logistics Organization for the Fire Direction Operation Center Project, pursuant to 22 U.S.C. 2767(f); to the Committee on International Relations.

1151. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting Copies of international agreements, other than treaties, entered into by the United States, pursuant to 1 U.S.C. 112b(a); to the Committee on International Relations.

1152. A letter from the Acting Assistant Secretary for Legislative Affairs, Department of State, transmitting a report entitled, "Report of U.S. Citizen Expropriation Claims and Certain Other Commercial and Investment Disputes"; to the Committee on International Relations.

1153. A letter from the Comptroller General, General Accounting Office, transmitting a list of all reports issued or released in January 2001, pursuant to 31 U.S.C. 719(h); to the Committee on Government Reform.

1154. A letter from the Chairman, Federal Maritime Commission, transmitting a report on the Annual Inventory of Commercial Activities for 2000; to the Committee on Government Reform.

1155. A letter from the Administrator, National Aeronautics and Space Administration, transmitting a report on FY 2000 Accountability; to the Committee on Government Reform.

1156. A letter from the Inspector General, Nuclear Regulatory Commission, transmitting a report on the Federal Activities Inventory Reform Act Inventory of Potential Commercial Activities; to the Committee on Government Reform.

1157. A letter from the Acting Assistant Administrator for Fisheries, NMFS, National Oceanic and Atmospheric Administration, transmitting a report on the Status of Fisheries of the United States; to the Committee on Resources.

1158. A letter from the Chief Justice, Supreme Court of the United States, transmitting a copy of the Report of the Proceedings of the Judicial Conference of the United States, held in Washington D.C., on September 19, 2000, pursuant to 28 U.S.C. 331; to the Committee on the Judiciary.

1159. A letter from the Chairman, Federal Maritime Commission, transmitting a copy of the annual report in compliance with the Government in the Sunshine Act during the calendar year 2000, pursuant to 5 U.S.C. 552b(j); to the Committee on Transportation and Infrastructure.

PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XII, public bills and resolutions were introduced and severally referred, as follows:

By Mr. EVANS (for himself, Mr. FILNER, Mr. GUTIERREZ, Ms. BROWN of Florida, Mr. PETERSON of Minnesota, Ms. CARSON of Indiana, Mr. REYES, Mr. RODRIGUEZ, Mr. SHOWS, Ms. BERKLEY, Mr. UDALL of New Mexico, Mrs. JONES of Ohio, Mr. SANDERS, Mr. LUCAS of Kentucky, Mr. ETHERIDGE, Mr. KILDEE, Mr. ACKERMAN, Mr. MCGOVERN, Mr. HINOJOSA, Mr. RAHALL, Mr. BONIOR, Ms. MCKINNEY, Mr. LIPINSKI, Mr. WEINER, Mr. BOUCHER, Mr. STUPAK, Ms. HOOLEY of Oregon, Mr. FROST, Mr. TIERNEY, Mrs. MEEK of Florida, Mr. KING, Mr. OBERSTAR, Mr. BISHOP, Mr. DAVIS of Florida, Mr. HASTINGS of Florida, Mr. LANGEVIN, Mr. DEFAZIO, Mr. HOLDEN, Mr. MURTHA, Mrs. MCCARTHY of New York, Mr. HALL of Ohio, Ms. WOOLSEY, Mr. COYNE, Mr. TAYLOR of Mississippi, Mr. BLAGOJEVICH, Mr. EDWARDS, Ms. BALDWIN, Mr. CRAMER, Mrs. MINK of Hawaii, Ms. DELAURO, Mr. BRADY of Pennsylvania, Mr. ISAKSON, Mr. GORDON, Mr. ALLEN, Mrs. KELLY, Mr. PALLONE, Mr. FRANK, Mr. PAYNE, Mr. PASCRELL, Ms. MCCOLLUM, Mr. FALEOMAVAEGA, Mr. BORSKI, Mr. PHELPS, Mrs. CLAYTON, Mr. HINCHEY, Ms. RIVERS, Ms. SCHAKOWSKY, Mr. LUCAS of Oklahoma, Mr. LAMPSON, Mr. STRICKLAND, Ms. LOFGREN, Mr. PRICE of North Carolina, Mr. UPTON, Mr. SANDLIN, Mr. ORTIZ, Mr. QUINN, Mr. BECERRA, Ms. MILLENDER-MCDONALD, Mr. WEXLER, Mr. WU, Ms. KAPTUR, Mr. KENNEDY of Rhode Island, Mr. THOMPSON of California, Ms. WATERS, Mr. CLYBURN, Ms. JACKSON-LEE of Texas, Mr. GONZALEZ, Mr. FLETCHER, Mr. SNYDER, Mr. RANGEL, and Mr. CAPUANO):

H.R. 936. A bill to amend title 38, United States Code, to improve programs for homeless veterans, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. POMBO:

H.R. 937. A bill to prohibit the use of Federal funds for any program that restricts the use of any privately owned water source; to the Committee on Transportation and Infrastructure.

By Mr. MCGOVERN (for himself, Mr. HOUGHTON, Mr. LEWIS of Georgia, Ms. PELOSI, Mr. FRANK, and Ms. MILLENDER-MCDONALD):

H.R. 938. A bill to enhance the capability of the United Nations to rapidly respond to emerging crises; to the Committee on International Relations.

By Mr. KNOLLENBERG:

H.R. 939. A bill to reaffirm and clarify the Federal relationship of the Swan Creek Black River Confederated Ojibwa Tribes of Michigan as a distinct federally recognized Indian tribe and to restore aboriginal rights, and for other purposes; to the Committee on Resources.

By Mr. CHABOT (for himself, Ms. KAPTUR, Mr. GEKAS, and Mr. SHIMKUS):

H.R. 940. A bill to establish a statute of repose for durable goods used in a trade or business; to the Committee on the Judiciary.

By Mr. CLYBURN:

H.R. 941. A bill to require the use of adjusted census data in the administration of any law of the United States under which population or population characteristics are used to determine the amount of benefits received by State or local governments, and for other purposes; to the Committee on Government Reform.

By Mr. COLLINS:

H.R. 942. A bill to amend the Internal Revenue Code of 1986 to reduce individual income tax rates and increase the standard deduction; to the Committee on Ways and Means.

By Mr. CONDIT (for himself, Mr. UDALL of New Mexico, and Mrs. EMERSON):

H.R. 943. A bill to amend the Public Health Service Act with respect to the availability of influenza vaccine through the program under section 317 of such Act; to the Committee on Energy and Commerce.

By Ms. DEGETTE (for herself and Mr. UDALL of Colorado):

H.R. 944. A bill to designate certain lands in the State of Colorado as components of the National Wilderness Preservation System, and for other purposes; to the Committee on Resources.

By Mr. DIAZ-BALART (for himself, Mr. CROWLEY, Ms. ROS-LEHTINEN, Mr. MENENDEZ, Mr. BLAGOJEVICH, Ms. BROWN of Florida, Mr. CAPUANO, Mr. TOM DAVIS of Virginia, Mr. DELAHUNT, Mr. DEUTSCH, Ms. ESHOO, Mr. FARR of California, Mr. FILNER, Mr. FOLEY, Mr. GILMAN, Ms. JACKSON-LEE of Texas, Mr. LANTOS, Ms. LEE, Ms. LOFGREN, Mr. MARKEY, Mr. MCGOVERN, Ms. MCKINNEY, Mr. MEEHAN, Mrs. MEEK of Florida, Mr. MOAKLEY, Mr. MORAN of Virginia, Mrs. MORELLA, Mr. PASCRELL, Mr. ROTHMAN, Mr. SERRANO, Mr. SMITH of New Jersey, Mr. TOWNS, Mr. WEXLER, and Mr. WYNN):

H.R. 945. A bill to adjust the immigration status of certain Colombian and Peruvian nationals who are in the United States; to the Committee on the Judiciary.

By Mr. DUNCAN:

H.R. 946. A bill to amend the Internal Revenue Code of 1986 to allow drug manufacturers a credit against income tax if they certify that the price of a drug in the United States market is not greater than its price in the Canadian or Mexican market; to the Committee on Ways and Means.

By Mr. DUNCAN:

H.R. 947. A bill to amend the Internal Revenue Code of 1986 to allow individual retirement accounts to exclude income with respect to certain debt-financed real property from the tax on unrelated business taxable income; to the Committee on Ways and Means.

By Mr. EVANS (for himself, Mr. QUINN, Mr. MCGOVERN, Ms. BALDWIN, Mrs. MALONEY of New York, Mr. MARKEY, Mr. LUTHER, Mr. LAHOOD, Mr. BARRETT, Mr. UDALL of Colorado, Ms. WATERS, Mr. MEEHAN, Mr. GUTIERREZ, Mr. CAPUANO, Mr. FILNER, Mr. TIERNEY, Mr. HALL of Ohio, Ms. PELOSI, Mr. BOUCHER, Mr. SANDERS, Mr. ALLEN, Mrs. MORELLA, Mrs. ROUKEMA, Mr. MORAN of Virginia, Mr. HOEFFEL, Mr. COOKSEY, Mr. NADLER, Mr. ABERCROMBIE, Ms. WOOLSEY, Mrs. MINK of Hawaii, and Mr. MOAKLEY):

H.R. 948. A bill to express the sense of Congress that the Department of Defense should field currently available weapons and other technologies, and use tactics and operational concepts, that provide suitable alternatives to anti-personnel mines and mixed anti-tank mine systems and that the United States should end its use of such mines and join the Convention on the Prohibition of Anti-Personnel Mines as soon as possible, to expand support for mine action programs including mine victim assistance, and for other purposes; to the Committee on International Relations, and in addition to the Committee on Armed Services, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. FOSSELLA:

H.R. 949. A bill to provide funds to States to establish and administer periodic teacher testing and merit pay programs for elementary and secondary school teachers; to the Committee on Education and the Workforce.

By Mr. HOSTETTLER (for himself, Mr. GOODE, Mr. SHOWS, Mr. SHADEGG, Mr. YOUNG of Alaska, Mr. SCHAFFER, Mr. CANNON, Mr. HALL of Texas, Mr. CANTOR, Mr. HILLEARY, Mr. SOUDER, and Mr. GIBBONS):

H.R. 950. A bill to amend title 18 of the United States Code to provide for reciprocity in regard to the manner in which nonresidents of a State may carry certain concealed firearms in that State; to the Committee on the Judiciary.

By Mr. HOUGHTON (for himself and Mr. NEAL of Massachusetts):

H.R. 951. A bill to amend the Internal Revenue Code of 1986 to repeal the required use of certain principal repayments on mortgage subsidy bond financings to redeem bonds, to modify the purchase price limitation under mortgage subsidy bond rules based on median family income, and for other purposes; to the Committee on Ways and Means.

By Mr. HOYER (for himself, Mr. EHRLICH, Mr. MEEHAN, Mr. SHIMKUS, Mr. BOUCHER, Mr. REYES, and Mr. WALSH):

H.R. 952. A bill to grant a Federal charter to Korean War Veterans Association, Incorporated; to the Committee on the Judiciary.

By Mr. INSLEE (for himself, Mr. SPENCE, and Mr. CANTOR):

H.R. 953. A bill to amend the Public Health Service Act to authorize grants to carry out programs to improve recovery rates for organs in eligible hospitals; to the Committee on Energy and Commerce.

By Mr. INSLEE (for himself, Mr. BARTLETT of Maryland, Mr. EHLERS, Mrs. MINK of Hawaii, Ms. SLAUGHTER, Mr. BAIRD, Mr. UDALL of Colorado, Mr. TIERNEY, Mr. KUCINICH, Mr. LEACH, Mr. GUTIERREZ, Mr. HINCHEY, Mr. MCDERMOTT, Mr. LEWIS of Georgia, and Ms. BALDWIN):

H.R. 954. A bill to amend the Federal Power Act to promote energy independence and self-sufficiency by providing for the use of net metering by certain small electric energy generation systems, and for other purposes; to the Committee on Energy and Commerce.

By Mr. INSLEE:

H.R. 955. A bill to amend the Public Health Service Act to provide for a National Living Organ Donor Registry; to the Committee on Energy and Commerce.

By Mrs. JOHNSON of Connecticut (for herself, Mr. LEVIN, Mr. CARDIN, Mr. MALONEY of Connecticut, Mr. LARSON of Connecticut, Mr. HILLIARD, Mr. SHAYS, Mr. WATKINS, Mr. STRICKLAND, Mr. HINCHEY, Mr. CRAMER, Mrs. MALONEY of New York, Mr. RANGEL, Mr. ENGLISH, Mr. FROST, Mr. MCNULTY, Mr. JEFFERSON, Mr. HOUGHTON, Ms. ROYBAL-ALLARD, Mr. FRANK, Mr. BALDACCI, Mr. CAMP, Mr. DAVIS of Illinois, Mr. SHIMKUS, Mr. COYNE, Mr. MATSUI, Mr. WALSH, Mr. SAXTON, Mr. MCDERMOTT, Mr. GEORGE MILLER of California, Mr. GUTIERREZ, Ms. KILPATRICK, Mr. MENENDEZ, Ms. BALDWIN, Mr. RAMSTAD, Mrs. MORELLA, Mr. BARRETT, Ms. SCHAKOWSKY, Ms. LEE, Mr. ABERCROMBIE, Mr. HAYWORTH, Ms. DELAURO, Mr. HALL of Ohio, Mr. ENGEL, Mr. SIMMONS, Mr. SANDLIN, Mr. KLECZKA, and Mr. SHAW):

H.R. 956. A bill to amend titles IV and XX of the Social Security Act to restore funding for the Social Services Block Grant, and restore for fiscal year 2002 the ability of States to transfer up to 10 percent of funds from the program of block grants to States for temporary assistance for needy families to carry out activities under the Social Services Block Grant; to the Committee on Ways and Means.

By Mr. KELLER:

H.R. 957. A bill to improve the prevention and punishment of criminal smuggling, transporting, and harboring of aliens, and for other purposes; to the Committee on the Judiciary.

By Mr. KILDEE (for himself, Mr. SCOTT, Mr. GEORGE MILLER of California, and Mrs. MCCARTHY of New York):

H.R. 958. A bill to assist local educational agencies in financing and establishing alternative education systems, and for other purposes; to the Committee on Education and the Workforce.

By Mr. KLECZKA (for himself, Mr. HERGER, Mr. BLUMENAUER, Mr. MATSUI, Ms. WOOLSEY, Ms. BALDWIN, Ms. ROYBAL-ALLARD, Mr. LAMPSON, and Mr. CUNNINGHAM):

H.R. 959. A bill to amend the Internal Revenue Code of 1986 with respect to the eligibility of veterans for mortgage revenue bond financing, and for other purposes; to the Committee on Ways and Means.

By Mr. KOLBE:

H.R. 960. A bill to amend the Internal Revenue Code of 1986 to expand the incentives for transferring land or easements therein for conservation purposes; to the Committee on Ways and Means.

By Mr. LANTOS (for himself, Mr. ACKERMAN, Mr. BARRETT, Mr. BERMAN, Mr. BONIOR, Mr. BRADY of Pennsylvania, Mr. BROWN of Ohio, Ms. CARSON of Indiana, Mr. DELAHUNT, Ms. ESHOO, Mr. EVANS, Mr. FILNER, Mr. FRANK, Mr. FROST, Mr. GUTIERREZ, Mr. HASTINGS of Florida, Mr. HINCHEY, Mr. JACKSON of Illinois, Ms. KAPTUR, Ms. KILPATRICK, Mr. KUCINICH, Mr. LEWIS of Georgia, Mr. LIPINSKI, Mrs. LOWEY, Mrs. MALONEY of New York, Mr. MCGOVERN, Ms. MCKINNEY, Mr. MCNULTY, Mr. MATSUI, Mr. GEORGE MILLER of California, Mr. NEAL of Massachusetts, Ms. NORTON, Mr. OBERSTAR, Mr. OLVER, Mr. OWENS, Ms. PELOSI, Mr. PHELPS, Mr. RANGEL, Mr. RUSH, Mr. SANDERS, Ms. SCHAKOWSKY, Mr. SHERMAN, Mr. STARK, Mr. THOMPSON of Mississippi, Mr. TOWNS, Mr. UNDERWOOD, Ms. VELAZQUEZ, Ms. WOOLSEY, and Mr. WYNN):

H.R. 961. A bill to amend the Fair Labor Standards Act of 1938 to reform the provisions relating to child labor; to the Committee on Education and the Workforce.

By Mrs. MALONEY of New York (for herself, Mr. MALONEY of Connecticut, Mr. HONDA, Mr. BONIOR, Mr. BLAGOJEVICH, Ms. BALDWIN, Ms. CARSON of Indiana, Mr. SERRANO, Mr. CAPUANO, Mr. BALDACCI, and Mrs. MCCARTHY of New York):

H.R. 962. A bill to amend the Mineral Leasing Act to make available for the low-income home energy assistance program 5 percent of moneys received by the United States from onshore Federal oil and gas development; to the Committee on Resources, and in addition to the Committees on Education and the Workforce, and Energy and Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. MICA:

H.R. 963. A bill to provide compensation for certain World War II veterans who survived the Bataan Death March and were held as prisoners of war by the Japanese; to the Committee on Armed Services.

By Mr. NADLER:

H.R. 964. A bill to amend the Immigration and Nationality Act to exempt certain elderly persons from demonstrating an understanding of the English language and the history, principles, and form of government of the United States as a requirement for naturalization, and to permit certain other elderly persons to take the history and government examination in a language of their choice; to the Committee on the Judiciary.

By Ms. NORTON:

H.R. 965. A bill to amend title 23, United States Code, to require States to adopt and enforce standards that prohibit the use of racial profiling in the enforcement of State laws regulating the use of Federal-aid highways; to the Committee on Transportation and Infrastructure.

By Mr. PAUL (for himself, Mr. GRAHAM, Mr. HILLEARY, Mr. TANCREDO, Mr. SHADEGG, Mr. DOOLITTLE, Mr. BURTON of Indiana, Mr. DEMINT, and Mr. SAM JOHNSON of Texas):

H.R. 966. A bill to prohibit the Federal Government from planning, developing, implementing, or administering any national teacher test or method of certification and from withholding funds from States or local educational agencies that fail to adopt a specific method of teacher certification; to the Committee on Education and the Workforce.

By Ms. PRYCE of Ohio (for herself, Mrs. MALONEY of New York, Mrs. MYRICK, and Mr. BENTSEN):

H.R. 967. A bill to amend the Public Health Service Act, the Employee Retirement Income Security Act of 1974, and the Internal Revenue Code of 1986 to require group and individual health insurance coverage and group health plans to provide coverage for individuals participating in approved cancer clinical trials; to the Committee on Energy and Commerce, and in addition to the Committees on Education and the Workforce, and Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. RAMSTAD (for himself, Mr. TANNER, Mr. HOUGHTON, Mr. LEWIS of Kentucky, Mr. BUYER, Mr. TAYLOR of Mississippi, Mr. WATKINS, Mr. SIMMONS, and Mr. COOKSEY):

H.R. 968. A bill to amend the Internal Revenue Code of 1986 to allow as a deduction in determining adjusted gross income the deduction for expenses in connection with services as a member of a reserve component of the Armed Forces of the United States; to the Committee on Ways and Means.

By Mr. STUMP (for himself, Mr. PAUL, Mr. TANCREDO, Mr. ROHRABACHER, Mr. NORWOOD, Mr. RILEY, Mr. DOOLITTLE, Mr. COBLE, Mr. BARTLETT of Maryland, Mr. KING, Mr. TRAFICANT, Mr. GOODE, Mr. EVERETT, Mr. DEAL of Georgia, Mr. BAKER, Mr. GOODLATTE, Mr. FLAKE, Mr. ISTOOK, Mr. CRANE, Mr. CALLAHAN, Mr. DUNCAN, Mr. SENSENBRENNER, Mr. HOSTETTLER, Mr. RYUN of Kansas, Mrs. ROUKEMA, Mrs. CUBIN, Mr. COLLINS, Mr. HEFLEY, Mr. CULBERSON, Mr. HANSEN, and Mr. BURTON of Indiana):

H.R. 969. A bill to provide that Executive Order 13166 shall have no force or effect, and to prohibit the use of funds for certain purposes; to the Committee on Government Reform.

By Mr. TIERNEY (for himself, Mr. GEORGE MILLER of California, Mr. SANDLIN, Mr. WU, Mr. FORD, Mr. ALLEN, Mr. CROWLEY, Mr. FATTAH, Mr. GREEN of Texas, Mr. MEEHAN, Mr. ANDREWS, Mr. BROWN of Ohio, Mr. CAPUANO, Ms. CARSON of Indiana, Mr. DELAHUNT, Mrs. JONES of Ohio, Mr. KILDEE, Mrs. MCCARTHY of New York, Mr. MCGOVERN, Mr. OLVER, Mr. SCOTT, Mrs. CHRISTENSEN, Ms. DELAURO, Mr. FRANK, Ms. KILPATRICK, Ms. MCKINNEY, Ms. MILLENDER-MCDONALD, Mr. NADLER, Mr. HINCHEY, Mr. KENNEDY of Rhode Island, Mr. MOAKLEY, Mr. PAYNE, Mr. JEFFERSON, Mr. KIND, Mr. KUCINICH, Ms. LEE, Mr. MARKEY, Mrs. MINK of Hawaii, Mr. NEAL of Massachusetts, Mr. OWENS, Mr. PASCRELL, Ms. SANCHEZ, Mr. SAWYER, Mr. STUPAK, Mr. WAXMAN, Ms. WOOLSEY, Mr. FROST, Mr. STARK, Ms. ESHOO, Mr. LANTOS, Mr. CLEMENT, Ms. PELOSI, Mr. BONIOR, and Ms. SOLIS):

H.R. 970. A bill to amend the Safe and Drug-Free Schools and Communities Act of 1994 to provide comprehensive technical assistance and implement prevention programs that meet a high scientific standard of program effectiveness; to the Committee on Education and the Workforce.

By Mr. WALDEN of Oregon (for himself, Mr. SIMPSON, and Mr. INSLEE):

H.R. 971. A bill to require that payment be guaranteed whenever any supplier of electric energy is required to sell electric energy to a purchaser under the emergency authority of section 202(c) of the Federal Power Act, and for other purposes; to the Committee on Energy and Commerce.

By Ms. WOOLSEY:

H.R. 972. A bill to amend the Elementary and Secondary Education Act of 1965 to strengthen the involvement of parents in the education of their children, and for other purposes; to the Committee on Education and the Workforce.

By Mr. HUNTER (for himself, Mr. CUNNINGHAM, Mr. ISSA, Mrs. DAVIS of California, Mrs. BONO, Mr. LEWIS of California, Mr. HERGER, Mr. DREIER, Mr. CALVERT, Mr. GARY MILLER of California, Mr. DOOLITTLE, Mr. RADANOVICH, Mr. HORN, Mr. ROHRABACHER, Mr. POMBO, Mrs. TAUSCHER, Mr. THOMAS, Mr. MATSUI, Mr. FILNER, Mr. SHERMAN, Mr. MCKEON, Mr. OSE, Mr. BERMAN, and Mr. LANTOS):

H. Con. Res. 57. Concurrent resolution condemning the heinous atrocities that occurred on March 5, 2001, at Santana High School in Santee, California; to the Committee on Education and the Workforce.

By Ms. KAPTUR (for herself and Mr. WELDON of Pennsylvania):

H. Con. Res. 58. Concurrent resolution urging the President of Ukraine to support democratic ideals, the rights of free speech, and free assembly for Ukrainian citizens; to the Committee on International Relations.

By Mr. MCKEON:

H. Con. Res. 59. Concurrent resolution expressing the sense of Congress regarding the establishment of National Shaken Baby Syndrome Awareness Week; to the Committee on Government Reform.

By Mr. PORTMAN:

H. Res. 85. A resolution designating majority membership on certain standing committees of the House; considered and agreed to.

By Ms. SCHAKOWSKY (for herself, Mr. LANTOS, Mrs. LOWEY, Ms. PELOSI, Ms. MILLENDER-MCDONALD, Mrs. MALONEY of New York, Mr. CONYERS, Mr. BLAGOJEVICH, Ms. WOOLSEY, Mrs. MINK of Hawaii, Mrs. MEEK of Florida, Ms. ROYBAL-ALLARD, Ms. ESHOO, Mrs. JONES of Ohio, Ms. BALDWIN, Ms. MCCOLLUM, Ms. MCCARTHY of Missouri, Mrs. NAPOLITANO, Mr. BARRETT, Ms. CARSON of Indiana, Ms. NORTON, Ms. MCKINNEY, Mrs. DAVIS of California, Mrs. JOHNSON of Connecticut, Mrs. CHRISTENSEN, Mrs. BIGGERT, and Ms. CAPITO):

H. Res. 86. A resolution supporting the goals of International Women's Day; to the Committee on International Relations, and in addition to the Committee on the Judiciary, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

ADDITIONAL SPONSORS

Under clause 7 of rule XII, sponsors were added to public bills and resolutions as follows:

H.R. 12: Ms. LOFGREN, Mr. KELLER, Mr. BOEHLERT, and Mr. FORD.

H.R. 25: Mr. CAPUANO and Mr. REYNOLDS.

H.R. 31: Mr. OTTER.

H.R. 40: Ms. CARSON of Indiana, Mrs. JONES of Ohio, Ms. JACKSON-LEE of Texas, and Mr. MCDERMOTT.

H.R. 87: Ms. CARSON of Indiana, Ms. VELAZQUEZ, and Mr. BONIOR.

H.R. 97: Mrs. JO ANN DAVIS of Virginia, Mr. EVANS, Mr. TOWNS, Mr. FERGUSON, Mr. MICA, and Mr. TRAFICANT.

H.R. 116: Ms. WOOLSEY and Mr. JEFFERSON.

H.R. 117: Ms. WOOLSEY.

H.R. 126: Mr. GUTIERREZ, Mr. EVANS, Mr. HINCHEY, Mr. OBERSTAR, Mr. SANDERS, Mr. BLUMENAUER, Ms. VELAZQUEZ, and Mr. DEFAZIO.

H.R. 128: Mr. GONZALEZ, Mr. STARK, Ms. CARSON of Indiana, Mr. TOWNS, and Mr. LANTOS.

H.R. 147: Mr. KILDEE and Mr. PETERSON of Pennsylvania.

H.R. 152: Mrs. JO ANN DAVIS of Virginia.

H.R. 159: Mr. GOODLATTE, Mr. HORN, and Mr. RAMSTAD.

H.R. 174: Mr. FRANK.

H.R. 175: Mr. WELDON of Florida, Mr. BEREUTER, Mr. SAM JOHNSON of Texas, Mr. PAUL, Mr. HOEKSTRA, and Mr. DOOLITTLE.

H.R. 179: Mr. DIAZ-BALART, Mr. EVANS, Mr. LEWIS of Kentucky, Mrs. MINK of Hawaii, Mr. RANGEL, and Mr. BARR of Georgia.

H.R. 183: Mr. PASCRELL, Mrs. MALONEY of New York, Ms. LEE, Mrs. MEEK of Florida, Mrs. MORELLA, Mr. FROST, Mr. WEXLER, Ms. VELAZQUEZ, Mr. BRADY of Pennsylvania, and Ms. CARSON of Indiana.

H.R. 184: Mr. DEFAZIO.

H.R. 214: Ms. HARMAN.

H.R. 219: Mr. GOODE.

H.R. 241: Mr. LEWIS of Kentucky.

H.R. 244: Ms. HART.

H.R. 253: Mr. FILNER and Mr. CLAY.

H.R. 257: Mr. RYUN of Kansas, Mr. HOEKSTRA, Mr. BARTLETT of Maryland, Mr. HOSTETTLER, Mr. SCHAFFER, Mr. TANCREDO, Mr. CRENSHAW, and Mr. SENSENBRENNER.

H.R. 267: Mr. HERGER, Mr. SCHAFFER, and Mr. OTTER.

H.R. 268: Ms. LEE, Ms. MCKINNEY, and Mr. HUNTER.

H.R. 281: Mr. GUTIERREZ and Mr. LANTOS.

H.R. 301: Mrs. THURMAN.

H.R. 302: Mrs. THURMAN.

H.R. 303: Mr. MOAKLEY, Mr. KENNEDY of Rhode Island, and Mrs. ROUKEMA.

H.R. 308: Mr. RAHALL.

H.R. 336: Mr. RANGEL.

H.R. 340: Mr. ACEVEDO-VILA.

H.R. 356: Mrs. JO ANN DAVIS of Virginia.

H.R. 367: Mr. ANDREWS, Mr. GUTIERREZ, Ms. CARSON of Indiana, and Mr. PAYNE.

H.R. 384: Mr. KUCINICH.

H.R. 399: Mr. ROEMER, Mr. NADLER, Mr. CUMMINGS, Mr. COLLINS, Ms. BROWN of Florida, Mr. HILLIARD, Mr. LAFALCE, Mr. CONYERS, and Ms. WATERS.

H.R. 425: Mr. UDALL of Colorado.

H.R. 427: Ms. HOOLEY of Oregon.

H.R. 428: Mr. LEWIS of California, Ms. PELOSI, Mr. FRANK, Mr. BARTON of Texas, Mr. HILLEARY, Mr. FALEOMAVAEGA, and Mrs. JO ANN DAVIS of Virginia.

H.R. 436: Mrs. KELLY.

H.R. 437: Mr. CRENSHAW and Mr. CALVERT.

H.R. 443: Mr. KUCINICH.

H.R. 445: Mr. POMBO, Mr. RADANOVICH, Mr. SHADEGG, Mr. ROHRABACHER, Mr. DOOLITTLE, Mr. HEFLEY, and Mr. SCHAFFER.

H.R. 453: Ms. CARSON of Indiana.

H.R. 459: Mr. SHERMAN and Mr. KUCINICH.

H.R. 471: Ms. SCHAKOWSKY.

H.R. 499: Mr. KIRK.

H.R. 503: Mr. BARTLETT of Maryland, Mr. DUNCAN, and Mr. CRANE.

H.R. 510: Mr. SMITH of Texas, Mr. LEWIS of Kentucky, Mr. ROSS, Mr. FRANK, Mr. STEARNS, Mrs. LOWEY, and Mr. SANDERS.

H.R. 511: Mr. ROSS, Mr. FRELINGHUYSEN, Mr. CLEMENT, Mr. LEVIN, and Mr. SCHIFF.

H.R. 516: Mr. CLEMENT, Mrs. JO ANN DAVIS of Virginia, Mr. TURNER, Mr. FRANK, Mr. LIPINSKI, Mr. SENSENBRENNER, and Mr. BALDACCI.

H.R. 521: Mr. RAHALL and Mr. CONYERS.

H.R. 526: Mr. BRADY of Pennsylvania, Ms. HOOLEY of Oregon, Mr. OLVER, Mr. FILNER, and Ms. WOOLSEY.

H.R. 539: Mr. GIBBONS, Mr. KELLER, and Mr. LAHOOD.

H.R. 572: Mr. WAMP and Mr. SAXTON.

H.R. 573: Ms. DELAURO, Mr. MCGOVERN, Mrs. MALONEY of New York, Ms. JACKSON-LEE of Texas, Ms. NORTON, and Mr. DEUTSCH.

H.R. 577: Mr. GOODE.

H.R. 582: Mrs. NORTHUP.

H.R. 600: Mr. WELDON of Pennsylvania.

H.R. 602: Mr. ENGEL, Mr. FERGUSON, Mr. TURNER, Mr. BAIRD, and Ms. SOLIS.

H.R. 606: Mr. FRANK, Mr. BRADY of Pennsylvania, Mr. ANDREWS, Mr. FILNER, Mr. BERMAN, Mr. SHAW, Mrs. KELLY, Mr. LANGEVIN, and Mr. ROTHMAN.

H.R. 612: Ms. MCCARTHY of Missouri, Ms. SOLIS, Mr. BOUCHER, Mr. DAVIS of Illinois, and Mr. ISAKSON.

H.R. 620: Ms. LEE, Ms. CARSON of Indiana, and Mr. FATTAH.

H.R. 622: Mr. BALLENGER, Mr. BOEHNER, Mr. CASTLE, Mr. COBLE, Mr. DREIER, Mr. LINDER, Mr. MANZULLO, Mr. MORAN of Kansas, Mr. GREEN of Wisconsin, Mr. HASTINGS of Washington, Mr. HOEKSTRA, Mr. HULSHOF, Mr. ROHRABACHER, and Mr. WATTS of Oklahoma.

H.R. 630: Ms. RIVERS, Mr. KILDEE, Mrs. MCCARTHY of New York, and Mr. EVANS.

H.R. 631: Mr. SOUDER, Mr. WATT of North Carolina, and Mr. ROSS.

H.R. 638: Mrs. MINK of Hawaii, Mr. GUTIERREZ, Mr. WAXMAN, and Ms. VELAZQUEZ.

H.R. 641: Mr. CAPUANO, Mr. DEUTSCH, Mr. FILNER, Mr. FORD, Mr. FROST, Mr. HOEFFEL, Mrs. JONES of Ohio, Mr. LEWIS of Georgia, Mrs. LOWEY, Mr. MATSUI, Mr. MEEKS of New York, Mrs. NAPOLITANO, Ms. SCHAKOWSKY, Mr. SHERMAN, Mr. THOMPSON of Mississippi, Mr. TOWNS, Mr. REYES, Mr. DELAHUNT, Mr. GONZALEZ, Mr. GUTIERREZ, Mr. WEINER, Ms. NORTON, Mr. BOEHNER, Mr. YOUNG of Alaska, Mr. OSBORNE, Mr. DOOLITTLE, Mr. REHBERG, Mr. HOUGHTON, and Mr. GANSKE.

H.R. 642: Mr. BARTLETT of Maryland.

H.R. 659: Mr. BURTON of Indiana, Ms. SCHAKOWSKY, Mrs. JO ANN DAVIS of Virginia, Ms. NORTON, Mrs. BLAGOJEVICH, Mr. BONIOR, Mr. SHAYS, Mr. WALSH, Mrs. JONES of Ohio, Ms. DEGETTE, Ms. RIVERS, Ms. EDDIE BERNICE JOHNSON of Texas, Ms. MILLENDER-MCDONALD, Ms. LEE, Mrs. LOWEY, Mr. BAIRD, Mr. SNYDER, Mr. SANDLIN, Mr. HASTINGS of Florida, Mr. BALDACCI, Mr. MEEKS of New York, Mr. REYES, Mr. PHELPS, Mr. CAPUANO, and Mr. LANTOS.

H.R. 661: Mr. MCINNIS and Mr. BRADY of Texas.

H.R. 664: Mr. FERGUSON, Ms. ROYBAL-ALLARD, Mr. LIPINSKI, Mr. KLECZKA, Mr. HALL of Ohio, and Mr. TRAFICANT.

H.R. 665: Ms. CARSON of Indiana, Mr. CONYERS, Mr. SCOTT, Mr. ROSS, and Mr. WATT of North Carolina.

H.R. 673: Mr. EHLERS and Mr. HILLEARY.

H.R. 680: Mr. CLAY.

H.R. 681: Mr. CLAY.

H.R. 690: Ms. DELAURO, Mr. EVANS, Mr. TIERNEY, Ms. VALÂZQUEZ, Mr. MATSUI, Mr. GEORGE MILLER of California, Mr. HONDA, Ms. ESHOO, and Ms. LOFGREN.

H.R. 692: Mr. LATHAM and Mr. BEREUTER.

H.R. 693: Mr. KENNEDY of Rhode Island, Ms. CARSON of Indiana, Mr. LANTOS, and Mr. GUTIERREZ.

H.R. 694: Mr. TANCREDO.

H.R. 721: Mr. CLYBURN, Ms. DELAURO, Mr. MASCARA, Mr. GEPHARDT, Mr. JEFFERSON, Mr. ANDREWS, Mr. LEWIS of Kentucky, Mr. BORSKI, Mr. LUTHER, Mr. REYES, Mr. PETERSON of Minnesota, Ms. ROYBAL-ALLARD, Mr. RANGEL, and Mr. BAIRD.

H.R. 747: Mr. KUCINICH.

H.R. 755: Mr. PASTOR.

H.R. 760: Mr. BACA, Mr. THOMPSON of California, Mr. SCHIFF, Ms. KAPTUR, Mr. HERGER, and Mr. BARTLETT of Maryland.

H.R. 761: Mr. SABO.

H.R. 786: Ms. CARSON of Indiana and Mr. WATT of North Carolina.

H.R. 790: Ms. CARSON of Indiana.

H.R. 801: Mr. STUMP, Mr. BILIRAKIS, Mr. BUYER, Mr. SIMPSON, Mr. SIMMONS, Mr. BROWN of South Carolina, Mr. HANSEN, and Mr. SPENCE.

H.R. 811: Mr. SPENCE.

H.R. 822: Mr. LANTOS.

H.R. 827: Mr. MCNULTY, Ms. MCKINNEY, Mr. WYNN, and Mr. MCHUGH.

H.R. 830: Ms. HART, Mr. GUTKNECHT, Mr. STEARNS, Mr. DOOLEY of California, Mr. ARMEY, and Mrs. JO ANN DAVIS of Virginia.

H.R. 835: Mr. CLEMENT, Mr. BLAGOJEVICH, Mr. PALLONE, and Mr. BOUCHER.

H.R. 839: Mr. TURNER, Mr. MCINTYRE, Mr. GORDON, and Ms. BROWN of Florida.

H.R. 844: Mr. WALSH and Mr. NADLER.

H.R. 853: Mr. MASCARA, Mr. BONIOR, Mr. TURNER, and Mrs. JONES of Ohio.

H.R. 876: Mr. WALDEN of Oregon and Mr. LEWIS of Georgia.

H.R. 877: Mr. CALVERT.

H.R. 899: Mr. TOWNS and Mr. SCHROCK.

H.R. 908: Mr. GALLEGLY.

H.R. 911: Mr. SMITH of New Jersey.

H.R. 918: Mr. NEAL of Massachusetts, Mr. BARRETT, Mr. LIPINSKI, Mr. GUTIERREZ, Mr. BERMAN, Ms. SLAUGHTER, Mr. WALSH, and Mr. HOEFFEL.

H.R. 919: Mr. DAVIS of Florida.

H.R. 923: Mr. BOEHLERT and Mr. CUNNINGHAM.

H.R. 930: Mr. HERGER and Mr. HILLEARY.

H.J. Res. 22: Mr. OSE.

H. Con. Res. 3: Ms. WOOLSEY.

H. Con. Res. 4: Mr. PICKERING, Mr. NEAL of Massachusetts, Mr. SMITH of New Jersey, Mr. FROST, and Mr. WEXLER.

H. Con. Res. 23: Mr. RYUN of Kansas.

H. Con. Res. 29: Mr. WEINER, Mr. LEVIN, and Ms. ROYBAL-ALLARD.

H. Con. Res. 34: Mr. KIND, Mr. WATT of North Carolina, and Mr. LAMPSON.

H. Con. Res. 41: Mrs. JO ANN DAVIS of Virginia.

H. Con. Res. 42: Mr. BORSKI and Ms. ROYBAL-ALLARD.

H. Con. Res. 45: Mr. DREIER, Mr. FROST, Mr. RUSH, Mr. BEREUTER, Mr. BRADY of Texas, Mr. SKEEN, Mr. WHITFIELD, Mr. SHIMKUS, Mr. JOHNSON of Illinois, Mr. BOSWELL, and Mr. HOUGHTON.

H. Con. Res. 52: Mr. OXLEY, Ms. HART, Mr. RANGEL, and Mr. NADLER.

H. Res. 72: Ms. SLAUGHTER and Mr. PRICE of North Carolina.